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JPRS-LAM-84-047

13 April 1984

# Latin America Report

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13 April 1984

## LATIN AMERICA REPORT

## CONTENTS

## ENERGY ECONOMICS

## COLOMBIA

- CARBOCOL Establishes Programs for Managing Coal Resources  
(EL SIGLO, 1 Feb 84) ..... 1

## COUNTRY SECTION

## INTER-AMERICAN AFFAIRS

- Mexican President Says Area Can Solve Problems  
(CARACOL, 27 Mar 84) ..... 3

## ARGENTINA

- Reportage on Effects of Floods on Agricultural Activities  
(Various sources, various dates) ..... 4

February Rains Trigger Flooding  
Evacuation of 20,000  
Farm Production Hard Hit  
Several Thousand Hectares Flooded, by Daniel Ponce

- Commentary on Closed Economy Emergency Measures Debated  
(MERCADO, 15 Mar 84) ..... 10

## BELIZE

- Budget Presentation Provides Details of Expenditures  
(BELIZE SUNDAY TIMES, 18 Mar 84) ..... 21

- Paper Derides Government Denial of Influence From Grenada  
(TOLEDO STAR, 26 Feb 84) ..... 23

Price Visit to Honduras Spotlights Territorial Disputes (TOLEDO STAR, 11, 26 Feb 84) .....	24
Remarks in Tegucigalpa	
Guatemalan Reaction	
Guatemala on Envoys' Meeting	
Price Maneuvers	
Honduras Mediation Offer	
Toledo Progressive Party Embraces Kissinger Report (TOLEDO STAR, 11 Mar 84) .....	28
Government Hit for Giving U.S. Say Over Foreign Policy (Editorial; DISWEEK, 16 Mar 84) .....	31
Exchange Pact Signed With Mexico; Generator Reclaimed (DISWEEK, 16 Mar 84; AMANDALA, 16 Mar 84) .....	33
Mexico City Meeting	
Electricity Problem	
Government Accused of Keeping 'Enemies List' Based on 1981 Events (AMANDALA, 16 Mar 84) .....	35
Criticism Continues of Government Actions on Electoral Law (Editorial; THE REPORTER, 11 Mar 84; THE BEACON, 10 Mar 84) .....	36
PUP Manipulation	
Call for Antigovernment Struggle	
PUP Discriminates Against Media, Operates Organs Illegally (Editorial; THE BEACON, 17 Mar 84) .....	39
UDP Names Local Candidates, Is Attacked by CDP (Various sources, various dates) .....	41
City Division Convention	
Cayo Standard-Bearer	
Christian Democrat's Statement	
Aranda Criticism of UDP	
Projects Earmarked for \$191,500 in Canadian Aid Noted (BELIZE SUNDAY TIMES, 11 Mar 84) .....	45
Livestock Producers Take Note of Industry Advances (BELIZE SUNDAY TIMES, 11 Mar 84) .....	46
Briefs	
Martinique Delegation	47
New Economic Development Chief	47



## BERMUDA

Issues of Crime, Role of Police Stir Controversy (THE ROYAL GAZETTE, various dates) .....	48
PLP Criticism of Police Teachers' Views Neighborhood Watch Concern Response to PLP PLP Senator's Reply Parliamentary Appeal	
Broadcasting Company in Financial Difficulty (THE ROYAL GAZETTE, 9, 10 Mar 84) .....	56
13-Month Losses Resulting Cutbacks Union Protest	
Briefs Housing Loans	59

## BRAZIL

Poll: 73.3 Percent of PDS Supporters Want Direct Elections Now (FOLHA DE SAO PAULO, 26 Feb 84) .....	60
Presidential Hopefuls Propose Changes in Foreign Debt Policy (Teresa Cardoso; JORNAL DO BRASIL, 4 Mar 84) .....	67
Gallup Poll Shows Figueiredo's Popularity at New Low (JORNAL DO BRASIL, 8 Mar 84) .....	71
Forecasts of Deepening Recession in Coming Months Refuted (Aloysio Biondi; FOLHA DE SAO PAULO, 1 Mar 84) .....	75
Pastore on February Trade Surplus, IMF Talks, Inflation (Celso Pastore Interview; JORNAL DO BRASIL, 4 Mar 84) ...	81

## COLOMBIA

Court Grants Amnesty to ELN Members (EL TIEMPO, 11 Mar 84) .....	87
---	----

## CUBA

Further Details on Castro NEWSWEEK Interview (Fidel Castro Interview; BOHEMIA, No 6, 10 Feb 84) .....	88
--	----

## DOMINICA

Briefs Opposition Election Talks	102
-------------------------------------	-----

## DOMINICA REPUBLIC

President Delivers Annual Message to Congress (LISTIN DIARIO, 4 Mar 84) .....	103
--	-----

## ST CHRISTOPHER-NEVIS

Text of Simmonds Address to PAM Convention (THE DEMOCRAT, 3 Mar 84) .....	106
Simmonds Speaks on Aid, Youth at College Graduation (THE DEMOCRAT, 10 Mar 84) .....	110

## ST VINCENT AND THE GRENADINES

Pros, Cons of Arnos Vale Airport Expansion Considered (THE VINCENTIAN, 16 Mar 84) .....	112
--	-----

## TRINIDAD AND TOBAGO

Tobago Leader Chided; House Report Sparks Debate (TRINIDAD GUARDIAN, 23, 24 Mar 84) .....	113
Robinson Accountability Panday Criticism of PNM	
PNM Errs on Martineau; Chambers Addresses Meeting (SUNDAY GUARDIAN, 25 Mar 84; TRINIDAD GUARDIAN, 16 Mar 84)	118
Voided Vice-Chairman Vote Chambers' Praise for Party, by John Alleyne	
Briefs Customs Responsibilities	122

## CARBOCOL ESTABLISHES PROGRAMS FOR MANAGING COAL RESOURCES

Bogota EL SIGLO in Spanish 1 Feb 84 p 23-A

[Text] Given the ample distribution of coal reserves throughout the nation, and the differences in the methods of exploitation in each region, in evaluating the reserves and their quality, in the infrastructure and in the socio-economic conditions, CARBOCOL (Colombian Coal, Inc.), in order to facilitate its management, has subdivided the country into four sections known as:

Zone No 1 (West): comprising the departments of Antioquia, Choco, Caldas, Quindio, Risaralda, Valle del Cauca, and Narino; Zone No 2 (the central region of the country): which comprises the departments of Cundinamarca, Boyaca, Santander and the designated Borde Llanero [Border Plain]; Zone No 3: which includes Cordoba, Bolivar and Sucre; and Zone No 4: La Guajira and Cesar.

CARBOCOL is presently conducting studies for putting into operation a development plan in each of the regions, and for promoting and coordinating its actions with those of other national, departmental and private agencies, with the aim of insuring domestic supply. It is also promoting the current mining effort and infrastructure projects in order to obtain greater fuel substitution and to export the coal surplus; this is why in the central zone of the country it has been working together with Adior [not further identified]; in the Valle with Procarbon de Occidente; and in Antioquia various projects are being coordinated with Departmental Planning, with the Association of Miners and with EDA [not further identified]. In addition a series of research projects has been initiated with the Coal Center and the Mining Faculty dealing with carbochemistry and geology.

Among the nationwide programs, the exploration program is considered significant and financing for this program is currently under negotiation. In addition to exploration, a determination of the nature of the coal will be made, so that the country will know not only the quantity and quality of its coal reserves, but the potential uses of the coal as well.

## Promotion of Small- and Medium-Scale Mining

Support for small- and medium-scale mining is another program which CARBOCOL is promoting in various regions. Possible participation by other entities and institutions is being considered in the development of this initiative. The objective of the program is the transformation of current small-scale mining efforts to allow for an economical and safe method for exploiting coal reserves, within the parameters established by the government, in accordance with environmental protection. To achieve this, there have been established four subprograms: financing; technical assistance; legal matters; and the development of the physical and social infrastructure.

In addition, CARBOCOL, with the support of the Ministry of Mines and Energy and some regional entities, will conduct (on a national level) a coal census, which will constitute, beyond the shadow of a doubt, a valuable instrument for the future development of this sector in our country.

CARBOCOL, as a state enterprise of Colombia in charge of managing the coal resources of the nation, focuses its efforts on supporting the exploitation and marketing of coal in the various zones of the country, through a series of operations directed toward promoting the demand for this mineral. In this way, CARBOCOL hopes to aid the miners in overcoming the problem confronted by this sector of the economy.

### Short-term Study

The objective of this study is to establish transport alternatives for exporting the coal from the Amaga-Venecia-Bolombolo depot. The study is 70 percent complete and is considering the following alternatives:

--by railway to Santa Marta.

--by truck to Quibdo, and via the Atrato River to Uraba.

--by truck to Cauca and via the Cauca River or the Magdalena River to Cartagena.

--by truck to Buenaventura.

Of these alternatives, the first appears to be the most viable.

### Medium- and Long-term Studies

These studies are directed in part toward exporting a larger quantity of coal from the sector, but also toward the development of carbochemistry and coal substitutes. The following alternatives have been evaluated:

Production of gas for industrial consumption,  
Production of ammonia-urea,  
Production of methanol-gasoline.

## MEXICAN PRESIDENT SAYS AREA CAN SOLVE PROBLEMS

PA281222 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 27 Mar 84

[Text] Mexican President Miguel de la Madrid has stated that the time has come to liberate Latin American countries. He said that the preservation of our sovereignty demands that we overcome the state of disagreement and submission to powers and models alien to our historical and cultural heritage.

Regarding the Central American situation, De la Madrid said that the Contadora Group has stated repeatedly that the area's conflicts stem from injustice, exploitation, arbitrary exercise of power, and the lack of institutions.

The Mexican President, who is on a 45-hour visit to Colombia, added that there are interventionist strategies in Central America. However, confrontations in the area, and their long-range effects are not due to the East-West conflict. He said, we demand that reality not be distorted. He said that Panama, Venezuela, Colombia, and Mexico, through the Contadora talks and dialogue, have proposed viable agreements to attain peace and to prevent tensions alien to the solution of the problem. He said that the Contadora Group is well acquainted with the area and is aware that if its proposals were followed through without interference and with a genuine desire to reach understanding, these proposals would not only prevent war, but would ensure Central America's future stability and welfare.

He also said that Contadora is a Latin American effort to solve a Latin American problem. He said that the area can come up with its own answers to its problems. He said: We reject the use of force. He made these statements last night at a banquet hosted in his honor by Colombian President Belisario Betancur at Narino Palace.

CSO: 3348/332

REPORTAGE ON EFFECTS OF FLOODS ON AGRICULTURAL ACTIVITIES

February Rains Trigger Flooding

Buenos Aires CLARIN in Spanish 10 Mar 84 Economic Supplement p 4

[Text] February was marked by extremely heavy rainfall in a large part of the region under study, and the severe overflows caused countless problems in spite of the prevailing high temperatures and the resulting great need for water.

The area comprising the province of Santa Fe, the northeastern, central and southern parts of Corrientes, Misiones, Entre Rios, southeast Santiago del Estero, eastern Cordoba and northern and central Buenos Aires has received far too much rainfall, which has flooded population centers and forced the evacuation of many persons

The situation is particularly bad in northwestern Santa Fe, eastern Cordoba, Entre Rios, southern Cordoba and southern Greater Buenos Aires, where in some cases the rainfall was on the order of 200 millimeters a day.

Agricultural activity has been severely hampered in low-lying fields, as flooding has reduced the amount of available fodder, while some coarse grain harvests have been completely lost

The situation is not as bad in high-lying fields and on hillsides, though yields are down somewhat and there is a danger of fungus infections if conditions do not improve

The region surrounding the aforementioned one and including northwestern Corrientes, central and southern Chaco, southeastern Santiago del Estero, central Cordoba, eastern La Pampa and central and southern Buenos Aires has its heaviest excesses of water in the east, which diminish gradually towards the west

There is a slight shortfall of water in the area that comprises northern Chaco, Formosa, northern, Central and southwestern Santiago del Estero, northwestern Cordoba, western and southern La Pampa and southwestern Buenos Aires.



Key:

1. More than 100 millimeters of excess water
2. In balance and up to 100 millimeters of excess water
3. Slight to moderate shortfalls of water
4. Excess and shortfall of moisture in February 1984

Evacuation of 20,000

Buenos Aires LA PRENSA in Spanish 22 Mar 84 p 1

[Text] Flooding in the provinces of Santiago del Estero, Salta, Tucuman, La Rioja, Catamarca and Santa Fe has forced the evacuation of around 20,000 persons and left more than 1.5 million hectares of farmland under water.

In Tostado, some 200 kilometers north of the capital of Santa Fe, more than 3,500 persons were evacuated to the town of San Cristobal 120 kilometers to the south.

In spite of yesterday's good weather, the situation in Tostado is expected to worsen because a large amount of water is scheduled to be released from the Cabra Corral reservoir in Salta. It was reported that the normal runoff from the reservoir is 2,000 cubic meters a second; it has reached 10,000 at present.

The flooding of 1½ million hectares has caused serious damage to farming in the province, as 30,000 head of cattle (of the 70,000 in the region) have had to be moved to higher ground.

As a result of the overflowing of the Juramento River in Salta, more than 1,000 persons have had to be evacuated in the last 48 hours, most of them from the towns of Metan, Galpon and Joaquin V. Gonzalez.

In the same province, 250 persons were forced to leave their homes in Salvador Masa on the border with Bolivia when the Itiyuro overflowed.

Civil defense authorities reported that a "red alert" had been declared in the region owing to the large cracks in the aforementioned reservoir dam.

In Santiago del Estero, the authorities described as "very critical" the precarious and isolated condition of some towns in the northern part of the province along the Salado River; most of the residents there, in fact, have been seeking higher ground.

The 30 homes that make up the village of Santo Domingo on the western bank of the Salado were under an average of 40 centimeters of water.

"The river has swamped the towns of La Candelaria, Santos Lugares, Villa Matoque and San Jose de Boqueron, all of them in the department of Copo," where the flooding has been the most severe.

Moreover, the feeling is that if the abnormally heavy runoffs from the Cabra Corral dam in Salta continue, the situation will spread to all of the towns in the middle and lower basin of the Salado River.

The situation along the banks of the Dulce River in Santiago del Estero also continues to be critical, inasmuch as the floods were advancing yesterday on the villages in Los Gallegos, where a retaining wall and a levee surrounding the populated zone broke.

The supply of natural gas had to be suspended in Tucuman due to a break in a main in the Los Vallistos area some 5 kilometers southeast of the province capital.

The swollen Sali River eventually undermined the gas pipeline in the area, causing a break along the Campo Duran-Campana stretch. This was just one more consequence of the overflowing of rivers and streams due to the heavy rains that fell until the morning of the day before yesterday.



The main roadway bridge linking San Miguel de Tucuman and the eastern part of the province (one of the main sugar producing areas) wound up semi-submerged as a result of the racing waters of the Sali River.

In La Rioja, the Civil Defense Board yesterday began evacuating 2,000 persons because of the flooding caused by the 400 millimeters of rain that had fallen over the previous 4 days.

#### Farm Production Hard Hit

Buenos Aires LA NACION in Spanish 24 Mar 84 p 7

[Excerpts] La Plata--The waters advancing on the Carlos Tejedor district have so far caused the loss of three-fifths of its sunflower crop, which is considered extremely important for the region's economy.

The district capital is seriously threatened by the ever-advancing waters that have overflowed from several rivers, including the Quinto to the west.

Producers have been unable to salvage anything, inasmuch as the local roads are flooded.

So far this year the region has received 800 millimeters of rainfall, its annual average. Reservoirs are overflowing, and there is no evaporation, which could cause further problems for Carlos Tejedor, Pehuajo and Rivadavia.

#### Bridges Down

Santiago del Estero--The Dulce and Salado rivers have downed four bridges and cut major roadways as they race through the central part of the territory.

A 60-meter section of the La Dormida Bridge gave way yesterday. It linked Loreto and Brea Pozo; the latter is now cut off.

#### Flooding

Formosa--The situation in the province is worsening as a result of the overflow of the Pilcomayo and Bermejo rivers; some 7,000 persons have been affected so far.

Flooding from the Bermejo cut National Highway 95, which links Subteniente Perin with Puerto Lavalle, and Highway 37 between Laguna Yema and Sumayen.

Some 3,000 persons were warned about the advancing waters.

The Pilcomayo flooded 800,000 hectares in the district, as 5,500 cubic meters a second were rushing into the inundated region.

## Damage in Jujuy

San Salvador de Jujuy--Damage in the province totals some \$150 million, according to legislator Carlos Garzon. The situation in the La Puna area is very serious because the rains are continuing.

The province governor requested a helicopter from the Interior Ministry to evacuate families in remote areas because both the roads to La Quebrada and Puna and the railway lines have been cut at several points.

## Several Thousand Hectares Flooded

Buenos Aires LA NACION in Spanish 24 Mar 84 p 7

[Article by Daniel Ponce, special LA NACION correspondent]

[Text] Pehuajo--The average annual rainfall in this district is 800 millimeters, a level that has already been reached at this point in the year. The result? Some 280,000 of the 485,000 hectares in Pehuajo are virtually under water.

Sunflowers, sorghum, millet and corn are currently being grown in the region, and in some cases the losses have been alarming. Sixty percent of the annual sunflower harvest of 25,000 tons is regarded as unsalvageable. The millet crop is a complete loss, though in this case the flooding was compounded by a strong attack of isoca [a type of worm] that did serious damage in January

An assessment cannot yet be made of the potential losses in sorghum and corn, because the harvest has not begun and these crops were planted in the finest fields.

This does not mean, however, that calm prevails among sorghum and corn growers. They know quite well that further rainfall would be disastrous and realize that all of the water that comes down from Laboulaye in Cordoba has to pass through this region before emptying into the Salado River.

In light of this, some corn growers, fearing sizable losses, have begun the harvest with 25 percent moisture in the grain, that is to say, long before it has ripened completely. When corn is harvested at the proper ripeness, it contains only 14 5 percent moisture.

This means that the brokers must subject the corn to intense drying processes, which eventually cause it to split open; it is thus useful only as low-grade fodder. In a word, the drying does not cause the corn to ripen; it merely removes moisture.

## Manual Harvest

The ground-water level and the instability of the soil are the main problems that the sunflower growers have to overcome to harvest their crops, and they cannot wait any longer because the flower is in danger of losing its grain.

Need has thus dictated extreme measures and great ingenuity. Work crews were hired to harvest manually in fields that the machines could not enter. The work is slow and cumbersome, and the pickers charge 50 percent of the value of the harvest. Moreover, many of them have left because of the swarms of mosquitoes currently in the fields.

Other growers are using sorghum harvesters and specially adapted rice harvesters. Since the sorghum harvesters cut very low, they can also be used to recover many of the sunflower plants that have fallen and are submerged.

The damage caused by ground water in most silos represents an additional and no less serious problem.

The subsurface action of the water has caused cracks in the cement foundations, through which it then leaks. Such facilities can no longer be used, and those in which grain is stored must be emptied promptly so that it does not spoil. Railways are indispensable in dealing with this emergency to transport the grain to the processing plants; according to local brokers, however, the lack of cars and of an additional locomotive is severely hampering operations.

Furthermore, the access roads to the route are in poor condition, which is worsened by the trucks that transport livestock. Although the municipality is working hard to repave many of them, its equipment is obsolete and very limited.

The entire picture suggests that the losses in Pehuajo will be sizable this year; moreover, the flooding will have long-range consequences. The feeling is that it will take the flooded fields 5 or 6 years to recover, especially if a layer of sodium nitrate from the underground rivers is deposited on them when the water level drops. If this happens, the situation will be even more serious.

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CSO: 3348/326

## COMMENTARY ON CLOSED ECONOMY EMERGENCY MEASURES DEBATED

Buenos Aires MERCADO in Spanish 15 Mar 84 pp 18-24

[Article: "Economy: Debate on the Close"]

[Excerpts] The degree to which the economy is open or closed is an issue that has always evoked controversies of the most variegated hues in the country. During the past 10 years, there have been policies and prescriptions attempting to focus on a particular point the feasibility of keeping the borders open or more closed; but what was accomplished proved unsuccessful. The fact is that the topic is still latent and, during the past few days, a kind of major debate regarding it has been revived among the different sectors concerned.

Is the closing of the economy a beneficial thing? For the aforementioned reasons, the question has no answer. No one knows for sure what the exact degree of opening or closing that the Argentine economy requires should be, particularly when there are problems with a strong influence which, in fact, impose conditions on any maneuvering room. One need only recall the heavy burden of the foreign debt, which is currently setting a group of conditions for handling the major economic variables.

Strictly speaking, there is in Argentina a kind of prejudgment regarding the closing or opening of the economy. The issue would appear to be treated with fear. And that fear holds true as much for the orthodox sectors as for the more nationalistic ones, favoring a kind of policy of self-sufficiency as the panacea for making the country forge ahead. It may be that neither the one nor the other is correct.

There is no country in the world, even in the socialist orbit, that has an economy which is totally open or totally closed. For example, the United States boasts of its defense of the freedom of markets and trade, but it acts in a protectionist manner when the circumstances of the domestic economy so require, or when it finds itself threatened by an imbalanced competition originating abroad. The same thing holds true of the countries in the European Economic Community.

And, in this context, during the past 10 years Argentina seemed to be caught between the extremes, as if it lacked a definite identity or personality in

the economic realm, even proceeding in the opposite direction of the world trend. But the worst part of it is that the country's internal problems were not considered, and policies were established that were based more on the intention of giving a response to a part of the internal area of public opinion rather than on the necessity.

Recently, following an article that the Radical economist, Daniel Larriqueta, published in the newspaper LA NACION on Tuesday, 16 February, the issue came to the fore again, at the very time when the refinancing of the foreign debt is being negotiated with Argentina's creditors abroad.

MERCADO interviewed the author of the controversial article, Radical economist Daniel Larriqueta. These are his views:

[Question] What conclusion have you drawn after the debate evoked by your article in which the possibility of closing or opening the economy was cited?

[Answer] The article was not intended to be controversial, but rather to set forth the unknown quantities of the economic policy in the pertinent order of importance. If there have been consequences from the article, it indicates that the effort to refocus on the debate attempted in that publication was productive. It also shows, and this is not just my opinion, but rather the result of the political analysis that we have made of the repercussions, that the Argentine public wants more deepseated doctrinal analyses and needs the debate on economic policy to be removed from a short-term approach, without intellectual significance or political depth.

[Question] How did the idea of publishing the article come about?

[Answer] The fundamental concern is a political intention, namely, that of coming out on a fitting occasion to tell those who sincerely claim that there is no plan: "Gentlemen, read a little more carefully, and with a little more astuteness, the things that the government has been doing and announcing, and you will see the plan." And to tell those who are maliciously attacking: "Be careful, gentlemen, because we are ready to engage in argument and to expose the interest that you represent."

[Question] Some sectors have interpreted the closing of the economy to have been involved therein. Do you, concretely, propose the closing of the borders?

[Answer] The article contains only three words referring to that possibility and it is telling that those three words have been interpreted as the heart of the matter. Those words are "emergency closed economy." To make that interpretation, the adjective "emergency" was excluded, leaving the phrase "closed economy." At best, there has again been a misreading of the proposal.

Now then, when we talk about an "emergency closed economy," we are saying: We intend to cope with a limited and unusual situation. In fact, certain measures that the government has already adopted and are being implemented represent an emergency closed economy; such as the ban on imports with a set date. I,

personally, am opposed to the ban on imports of any kind, either emergency or long term. To ban importing means, in fact, creating a monopoly with endless benefits for the beneficiary, which is damaging to an essential right of the citizen in his status as a consumer.

[Question] Then to what do you attribute this alleged erroneous interpretation that has been made of your article?

[Answer] The people who made it sincerely, who are in the majority, have brought up the real seriousness of the Argentine situation. If I, as a Radical, have to make a self-criticism, it is that we have not yet finished explaining to the country how serious the situation is; and, in any event, through this article, there has suddenly appeared the issue of the foreign debt, which is an issue infringing upon the economic destiny of Argentina. That evoking of a deepseated fear that we all had, a sense of collective uneasiness, has produced this intentional result, so that suddenly, when one is talking about the risk of the economy's being closed, what one actually means is: "Goodness, how serious the situation was!" It is, indeed, serious. The issue of the foreign debt is pivotal; it is a new event in Argentine history. The country has never had such a dangerous relationship with its creditors, and we shall have to emerge from this dangerously.

[Question] But your article caused upheaval not only in the country, but also abroad, just as the refinancing of the debt is being negotiated. Don't you think that its effects might have a result worse than the good that you wanted to bring about?

[Answer] By no means. I was in the United States last week; I was in contact with responsible, serious bankers, creditors of Argentina; and I can assure you that they definitely prefer to deal with a debtor who is hard but serious, one who, on the day that he signs a commitment, will sign it to fulfill it, instead of dealing with another type of debtor, who signs commitments and, 3 months later, renegotiates them, because he knew at the outset that he was incapable of fulfilling them. Our creditors will be satisfied if Argentina negotiates harshly in the defense of its interests and, at the end of the negotiations, signs a commitment that it can meet, which has the backing of the public.

[Question] In another part of the article, you disclose the presence of two types of "enemies": those representing international creditor banks in the country, and those in direct opposition to the government. Who are both of them?

[Answer] There are two types of enemies: some are destabilizers on the right, and others are destabilizers on the left. The representatives of the creditors, the creditors' lawyers, including some political figures that have attacked me during the past few days in a personal way, are naturally attempting to create an atmosphere of uncertainty, so that the government will negotiate from a weak position. This type of thing is done in any negotiations, even private ones. This claim has been confirmed by that little shocker in the

Beri report; as if I needed public evidence of the extent to which certain sectors are willing to introduce uncertainty into Argentine life, so as to engage in negotiations more beneficial to their interests. I shall not be annoyed by such people, except when they enter the area of personal attack, as was done by engineer Alsogaray, who claims that, in order to know me, he only had to revert back to Gelbard's time. He enjoys a special privilege, namely, that, in order to know him, one need only revert back to any military dictatorship, and since he has filled the political activity in recent years, he is therefore far better known than I. I recognize that right of the creditors to confuse us. What I ask of the Argentine people and leaders is that they notice that a campaign is being carried out to confuse us.

[Question] Is the Beri report a part of that campaign?

[Answer] I am convinced of it.

[Question] What about the second group of "enemies"?

[Answer] The second group consists of those seeking to destabilize the government from the left. I went into this somewhat in the article; but perhaps it would be worthwhile to explain it a little more now. To make the Radical government, and Argentine democracy, fail to attain their goal to reinstate the country among the Western democracies, as a respectable, moderate country with its own policies, one of the procedures that may be used is that of leading to the closing of the economy; in other words, breaking the Argentine society's structural bonds with international society. This group of destabilizers consists of those who were saying that the foreign debt should not be paid during the election campaign, namely, the small parties of the left. If this is not sheer naivete, it is the intention of counting on Argentina's isolation. And there is no interest in this other than political goals.

[Question] One of the comments heard recently is that, in that article, you were in a way interpreting the thinking of a "hard-line" sector of the government. Is this true?

[Answer] In the Radical Party, there are no differing views on the issue of the debt. The party's policy position, shared totally with the people that I am discussing, is based on two features: 1. We shall pay the legitimate debt, whereby we separate ourselves from those who propose unilateral moratoriums; and, 2. we shall not do so with sacrifice, but rather with reactivation, whereby we separate ourselves from the traditional formulas of the military governments and from what I would term the policy of the creditors, which is what has been imposed on Brazil and other countries. These two proposals define a policy, and that is the policy of the Radical Party. Are they hard or soft? That is a matter of style. To some, I seemed to have a hard-line position simply because I said that this was a serious problem and, as part of that serious problem, I added that we would have to negotiate harshly. I repeat: we have the right to negotiate harshly.

[Question] So is the possibility that your article was a trial balloon aimed at a possibly political target, regarding the definitive closing of the economy, completely precluded?

[Answer] I preclude it flatly. That adjectival interpretation of my article does not lie in its content. What I would not preclude is that it may have served as a trial balloon for other things.

[Question] Such as what?

[Answer] Let's leave that for the readers to imagine.

### The Case of Argentina

As we are already aware, Argentina has been behind in its international payments virtually since the military conflict in the South Atlantic over the possession of the Malvinas Islands. It may be said that this event in a way caused the closing (nearly total) of the economy; and it also gave rise to a degree of international lack of confidence that has made its financial relations with other nations of the world well-nigh impossible.

This situation appeared to be a kind of fantasy in 1981, when General Viola's government was wavering among countless strategies to avoid being categorized as interventionist and as causing a break in the economic philosophy of the Process of National Reorganization. And, as usually occurs in such instances, when one starts walking along a path, it is difficult to turn back later. This was the case starting in 1982 and 1983, with the negotiations by Dagnino Pastore-Domingo Cavallo and Jorge Wehbe; and, if you will, currently, with Bernardo Grinspun: the closing of the economy (over and above the debate) is a real fact. The control of exchange has become more stringent, the shortage of foreign currency more deepseated, the stoppage of imports something blatant, and the application of heavy export tariffs an almost everyday affair.

At the present time, the fear posed by the total closing of the borders is concentrated on the risk that this government may run in refinancing the foreign debt. If an agreement is not reached with the international creditors, it would succumb to a declaration of "default," which would actually entail the total cancellation of foreign credit, an embargo on airplanes, ships and goods in transit, the impossibility of marketing exports and purchasing imports, the suspension of the credit from suppliers and, finally, the beginning of international political pressure on the country.

As is evident, the issue is delicate, and has given rise to the most critical statements. A few days ago, Minister Grinspun confided to MERCADO: "There is no political possibility of discussing a closing of the economy." He added: "The negotiations are normal, and we are achieving favorable steps toward an understanding between the parties." Also agreeing in these very same terms were Juan Sourrouille and Daniel Larriqueta, who came out in favor of proceeding in the direction of a more open economy.



Be that as it may, the fact is that the issue has not ceased to be of concern, and it is a topic of discussion among politicians, economists and experts.

Juan Trilla

The Radical senator, Juan Trilla, expressed his opinion: "We can by no means consider a closing of the economy, but quite the contrary. We must reactivate it so as to be able to keep our international commitments, and to carry ahead the government's program associated with education, housing and health. President Alfonsin declared during his election campaign, and is doing so repeatedly now, that Argentina will pay its debt without causing an internal recession, and will promote investments that will allow for an economic recovery. This view is shared by both the economic team and the leadership of the government party. Now then, the reality in figures is that, for 1984, the country expects a surplus in the trade balance of nearly \$2 billion, and the interest on the debt alone amounts to \$5.5 billion. For this reason, we must make our creditors abroad realize the need for us to have an initial grace period that will enable us to meet our commitments, through an amortization mechanism on terms of from 10 to 15 years. The balances in our trade balance do not allow us to do otherwise.

"To be sure, this has caused a certain amount of uneasiness, based on the possibility that our creditors may refuse to accept this type of commitment. Nevertheless, to date the talks held with them have only been in the nature of a sounding out. Although some debts may be legitimate on the part of those who have to collect, others have unquestionably been caused by those who do not like Argentina's present political status, which could result in the existence of a new, powerful country in South America, in view of its status of self-sufficiency in food and energy. Moreover, when the negotiations are at an advanced stage, the entire plan will be subject to Congress which, based on the Constitution, must intervene in the handling of both the internal and external debt. It must also be considered that the country's economic reality is worse than we thought before taking over the government. Nevertheless, we shall continue to fulfill our economic plan, and what may now seem like postponements are, rather, stages that will be covered. An example of this is real wages, which have been rising, although only by 4 percent, for the present. Neither the opponents nor the unions have been able to deny this reality.

"I don't think that any member of the Radical Party will overtly advocate the closing of the economy; and, if it should occur, it would be caused by a refusal by the international banks to negotiate on the basis of Argentina's real potential. We are not seeking a 'clean slate' from the creditors, but rather an understanding position. Something that caused a great deal of apprehension was the article published by Daniel Larriqueta, who has devised a personal-type program relating to the debt, which is not binding on fellow party members who are in the government or in the party. It involves an intellectual discourse with academic merit but, of course, studies of that kind take on flesh among elite groups that have lost the political leadership and want a repetition of what has been happening in our country since 1930: convincing a group of military that they could be the nation's saviors."

Roberto Lavagna

The Justicialist economist, Roberto Lavagna, claimed: "Based upon Senator Trilla's statements and the article published by Daniel Larriqueta, there would appear to have arisen some apprehension that the Argentine negotiations with its foreign creditors are heading toward a break. This could result in a closing of the economy. Furthermore, the Beri report has caused a crisis, despite the fact that it depicts an unrealistic state of the national economy. This is, unquestionably, a maneuver being introduced into the context of the negotiations. All this deserves some consideration.

"When there are so many problems, such as those that all the parties integrated into Argentine democracy have inherited, it is usually unfeasible to publicly voice adventurist and even extreme theories. In my opinion, the conditions are present for Argentina to renegotiate the debt in an orderly fashion, because it has the capacity to work out growth of about 4 percent in the gross domestic product in 1984, to make a redistribution of income in favor of the less privileged sectors, representing a direct or indirect increase of approximately 10 percent in real wages and, at the same time, to generate a surplus of about \$2 billion in the trade balance. That balance could be used as part of the payment of the foreign debt, because there are even international agencies that are willing to provide a flow of revenue which, in the case of Argentina, would amount to about \$3 billion, by way of refinancing. The Morgan banks themselves say that, in order to achieve the adjustment of the entire international economic system, all the countries will require, annually, and for 5 years, 7 percent of their total debt in additional fresh funds. With that \$3 billion, the country would close its accounts completely, and would succeed in reactivating the economy and generating a state of social and political stability that the foreign creditors would appreciate. It is possible to reach a reasonable agreement, not only from our standpoint, but also from that of those seated on the opposite side of the table.

"A solution can be reached within the extremely acceptable parameters noted previously, which had already been anticipated by the major parties. In my opinion, the following assumptions must be made for this purpose. First, it is necessary that the bulk of the Argentine population, represented by the parties, uphold the reasonable nature of this proposal, and to accomplish this the government must necessarily have the support of the leading minority, in this instance the Justicialist party. Second, the country must internally devise a detailed economic program. Both with the Monetary Fund and the banks, the numbers must be made technically consistent and must be politically backed by the two majority parties. Third, we must not succumb to simplifications, such as thinking that, because of the accumulation of about \$1.5 billion in net reserves (as the authorities have announced), the country will be in a better position to negotiate. It is praiseworthy that they have been accumulated but, of themselves, they will not suffice, because the best backing for good negotiations consists of the first two hypotheses. Fourth, although the conditions are present for final success, any negotiations, by their very nature, will be subject to times of tension and apparent crisis.

"Insofar as the Beri report is concerned, we must respond that Argentine democracy will last and prove that the economic program is not a set of inconsistencies, but rather a serious proposition. Although there have been consultants with professional status and experience, they have often been mistaken. Hence, I refuse to consider theories of a catastrophic nature, because the Argentine situation is the one with the easiest solution. Another element of which the creditors should not lose sight is the fact that the \$700 billion owed by the underdeveloped countries is also a responsibility of the international private banks which engaged in administering the recycling of the oil funds when they were not equipped to do so. They even violated the essential rules of international banking, namely, those stipulating that there should be no commitment to foreign loans exceeding the amount of commitment to one's own markets. I think that, in the next 30 days, the agreement between the two majority parties in the country should be achieved on the issue."

Ruben Rabanal

In the view of Ruben Rabanal, chairman of the Economic and Budget Commission of the Chamber of Deputies, the issue deserves this consideration:

"It is the government's intention to pay the foreign debt, insofar as it is legitimate. This has been stated repeatedly. However, that intention is, of course, linked with the conditions that they want to impose for its payment. In other words, there should not be any recessive terms capable of precluding Argentina's recovery. As for the possible closing of the economy, that possibility relates to the opinion of certain individuals who have mentioned it as an act relating to the analysis of the topic, but does not in any way constitute an affirmation in that direction on the government's part. Both the president of the republic and the minister of economy and president of the Central Bank have expressed their desire to meet our commitments through development, the only possible means of doing so. If we were to contract more debts instead of paying, our situation would become worse; and that is why we are seeking an extension of deadlines and the procurement of years of grace, in order to be able to keep our commitment.

"On the other hand, the status of the creditors themselves is not homogeneous, because there are private and government sectors; there are different positions regarding Argentina's foreign debt and, naturally, the hardest position is perhaps that of the private bankers. They must realize that this is not an Argentine phenomenon, but rather a worldwide one; and the ideal situation would be to be able to preclude a position on the part of our creditors that might lead to a closing of the economy. This will depend upon them, not upon us. They will also have to consider the fact that there is a joint responsibility for this situation on the part of those who pursued a plan contrary to the national interests and those who granted those loans irresponsibly, without being concerned about learning how the funds would be invested, and what capacity for backing they had.

"How shall we ascertain what the legitimate debt is? At the present time, the Central Bank is making a survey of the foreign debt. I estimate that the

private debts may be known by the end of March. In some instances, we do not even know who the creditor is, because they have taken out exchange insurance in agencies of a state or international type. That is why we have requested of the countries which are members of the Paris Club to ratify for us the loans of which they are creditors, so that we may compare them with our own records. Moreover, in the public sector there are debtor enterprises which do not know completely what their debt is.

"Amid all this, speculation has occurred regarding two matters: the Beri report, which coincides exactly with a meeting of the representatives of the various creditor banks and which has made an apocalyptic analysis of the nation's immediate future, that is in no way associated with our reality; and Daniel Larriqueta's article, which is based merely on a theoretical evaluation but which has produced sufficient repercussions to prompt those interested in the Radical government's not having success to cause rumors to circulate. In spite of everything, the government will not be diverted from its original economic program, which is aimed unfailingly toward human dignity."

Julio Gomez

Julio Gomez, head of the Argentine Chamber of Commerce, for his part, declared:

"We board members of the entity oppose the closing of the economy, because we consider it absolutely contrary to the interests of the country and, of course, those of the citizens. Argentina has an excellent record for meeting its obligations abroad but, at the present time, the country is undergoing a series of problems and, consequently, it has become difficult to deal with the service on that debt.

"Argentina has extensive resources, and the creditors are willing to negotiate. Hence, it is fitting to seek a solution so as to avoid major problems, such as the possibility of closing the economy that has been mentioned, and that would be so negative for the country.

"I cannot attribute insincerity to the sectors that are inclined toward the closing of the economy. I suppose that position is due to the fact that they believe Argentina is capable of self-sufficiency. This is contrary to my view. There is no country in the world which can live in isolation and be self-sufficient; hence, we cannot dissociate ourselves from the world, also for reasons that are as historical as they are cultural.

"On the other hand, I am convinced that the mere mention of the possibility of closing the economy produces psychological effects that are completely counter-productive. But, despite the fact that the government has the best intentions of improving the country, if anything should lead us to close the borders, its entire policy in this area would have to be restated."

Eduardo Setti

Eduardo Setti, a Justicialist economist, commented: "In fact, the economy has been closing for some time, for various reasons, and the causes for this may

be summarized in a single one: the meager generation of sufficient balances in the balance of payments to maintain a normal rate of imports.

"I think that a disclosure such as that concerning the closing of the economy produces negative expectations, but with regard to the dollar boom, the rise in prices and the lack of interest in investing in Argentina are variables that have already been occurring, and were not generated exactly after that debate.

"On the basis of Daniel Larriqueta's article, there has been talk of whether or not the foreign debt would be renegotiated. In this connection, I have stated several times that the option is whether to pay that debt or not. But one cannot propose the negative option 4 months in advance. I would like to explain that this alternative that is posed does not involve the closing or non-closing of the economy; rather, it involves whether or not the foreign debt is to be renegotiated. Based upon the option of not renegotiating the debt (which is one of the alternatives that the present government seems to have proposed for itself), there would stem consequences wherein one might be the closing of the economy.

"Whatever alternative is chosen with regard to this problem, there must be a restating of the economic policy; because the established economic plan has obviously failed categorically, and this requires the adoption of a different economic policy which I assume will be evaluated soon."

Leopoldo Moreau

The Radical deputy, Leopoldo Moreau, for his part, emphasized:

"The foreign debt must be paid. The problem is under what conditions it will be paid. Argentina has (from a potential standpoint) sufficient resources to achieve fulfillment of the debt, but in order to mobilize that potential, we need capital. The alternatives are domestic savings, the entry of foreign investment and the accumulation of capital based on a refinancing of the foreign debt that would entail a moratorium and would require a 2-year grace period as a minimum; so that, during those 2 years, Argentina would not have to pay the interest on the foreign debt. If we achieve a refinancing of this kind, we shall be able to collect about \$10 billion, which would be the result of the savings from the non-payment of the interest. In addition, those years of grace would help to liquefy our debt. We have obviously undertaken the negotiation in a non-traditional manner, because we are dealing with the international banks first. If we attain the refinancing of the private sector's debt to the banks, and the latter give us a moratorium, then we would proceed to negotiate with the IMF, at which we would arrive depressurized and with sufficient reserves for the negotiation. We shall by no means allow ourselves to be pressured by the sectors which are attempting a change in policy and which have been responsible for the catastrophe."

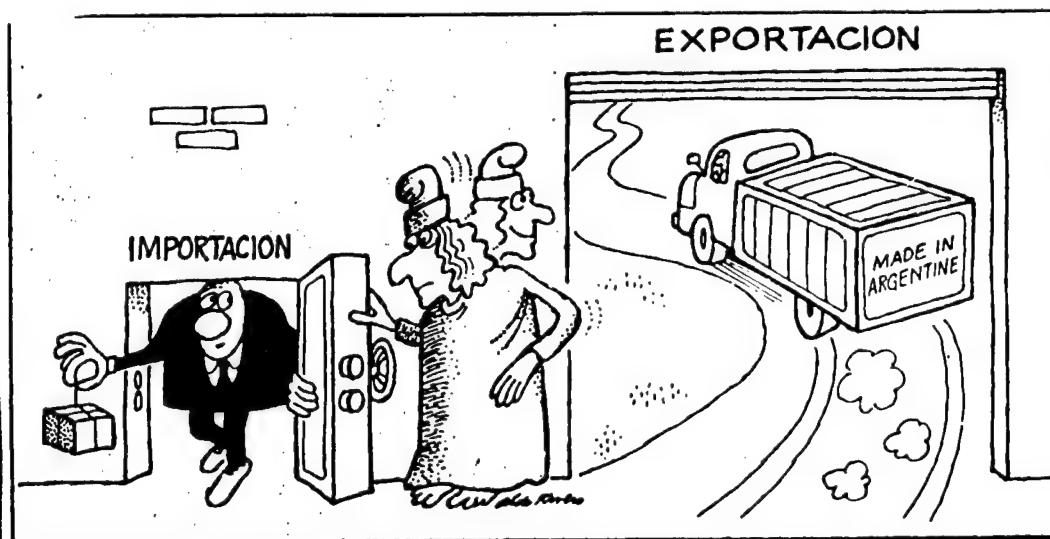
Roberto Favelevic

Finally, the head of the Argentine Industrial Union, Roberto Favelevic, remarked: "It has often been claimed that there are countries that can operate with a

more or less open or a more or less closed economy. The development strategy in the country for the past 30 years has been based on a substitution of imports; and it is one thing to seek an economy that boosts the national production capacity to the maximum, and to be in a closed economy with imposition from abroad is something else. But I think that, nowadays, an economy that is overly closed would bring about a decline in the people's standard of living, as in the case of our people, who have no great inclination toward austerity.

"At the present time, the Industrial Union has opted not to make an overall analysis of the economic policy. It does not even want to embark on a consideration of whether or not there is a concrete economic plan. It is of the opinion that the difficulties are very great and that the inherited economic situation is highly critical; and everything that is being attempted has its good, fair or bad points. But it would be extremely unwise on our part to make an assessment in this regard.

"For the present, we think that the government must be given a vote of confidence, and that it should also be given to the economic leadership, at least until it has undertaken and resolved the issue of the foreign debt. In this respect, I would like to see a little more unity of views in the country, and that debt negotiated with the strength afforded by a united congress and a population that is aware of the pros and cons of negotiations that are badly conducted."



2909

CSO: 3348/331

## BUDGET PRESENTATION PROVIDES DETAILS OF EXPENDITURES

Belize City BELIZE SUNDAY TIMES in English 18 Mar 84 pp 1, 12

[Text] FRIDAY, March 16. The Prime Minister and Minister of Finance Mr. George Price this morning told the House of Representatives in Belmopan that the budget proposals for the fiscal year 1984/85 are designed to reduce government expenditure, to further control inflation, encourage investment, and to continue to provide the climate for self-sustained growth.

The proposed budget is for an expenditure by government of 180.33 million dollars.

The Prime Minister in presenting his budget speech to the House said it is designed to consolidate and strengthen the economy, and to ensure more development in years ahead.

"The main objective is to reduce recurrent expenditure while providing for and maintaining existing services, to achieve greater efficiency in economic management, to restore fiscal discipline vital to economic recovery, to increase foreign investment, to provide physical infrastructure for marketing increased production, and to ensure more employment."

Under the budget proposals, total estimates for recurrent expenditure (from taxes and government savings) amounts to \$91.55 million, or an increase of \$5 million over the previous year. This increase is due to the reclassification of some capital projects as recurrent projects. They are education, for which there has been a moderate increase to meet the demands of the expanding educational system, and public debt servicing which has increased considerably to meet our obligations with our local and international creditors.

Ongoing capital expenditure is \$3.47 million, and capital expenditure to be funded from external loans and economic cooperation programmes is \$36.10 million. The other \$49.21 million comes under capital expenditure to be funded with assistance from external agencies.

Of the recurrent expenditure 46.4 percent (\$42.5 million) will be used to pay salaries and wages; Pensions and retirement benefits is 4.2 percent (\$3.9 million); goods and services 32.3 percent (29.5 million dollars); transfers and contributions is 2.3 percent (\$2.1 million, and debt servicing 14.7 percent (\$13.5 million.)



Projects totalling \$36.1 million will include the continuation of the Belize Water and Sewerage project, the Toledo Rural Development project, Road maintenance (Southern Highway), construction of feeder roads, livestock development, and equipment (navigation and fire-fighting) for the Belize International Airport. Other priorities for development for which \$49.2 million is being sought from international agencies are low cost housing, rehabilitation of the Rockview Psychiatry Hospital, a new Belize City Hospital, the Belize International Airport Terminal complex, a new Belize Post Office and new fire stations.

Prime Minister Price told the House that government proposes to finance the budget in the following manner: Revenue from local sources - \$95.2 million Revenue from transfer of resources in our economic development programmes - \$20.1 million, and loans from the Caribbean Development Bank and the World Bank - \$65.21 million.

The Prime Minister told the House that a time of economic and financial adversity requires a budget such as the one he presented this morning. He added that this is not all government is doing to improve a difficult situation.

Mr Price said negotiations are in progress to save, maintain and improve industries basic to our economic well-being.

Negotiations are in progress, he continued, to enable the public and private sectors to acquire a majority of shares in the sugar industry, in order to establish on a firmer footing this industry in both the Corozal and Orange Walk districts.

Negotiations are also underway to revive the rice industry in Big Falls, Belize District, and to boost food production, expand the cattle industry and reorganize the banana industry. "Government is also negotiating to attract more investment in industrial development and tourism," the Prime Minister said.

"In difficult times we must lose courage, we must renew our belief and hope in the good work of the revolution," Mr Price said in wrapping up his budget proposals.

CSO: 3298/646



## PAPER DERIDES GOVERNMENT DENIAL OF INFLUENCE FROM GRENADA

Punta Gorda TOLEDO STAR in English 26 Feb 84 p 1

[Text] RADIO BELIZE quickly announced the Government's rebuttal to indications in secret documents found in Grenada that the Government of Maurice Bishop was entrusted by the Soviet Union to influence Surinam and BELIZE in certain pro-Russia ways. Government's refutation which appeared in the BELIZE TIMES under the title "Grenada Made No Efforts To Influence Belize" may have appeased the members of the People's United Party who are blindly in support of Mr Price's Government.

But there are many PUPS who have been awoken to the fact that our Government has certain elements who have been denounced by other PUPS at Cabinet level for their flirtation with radically left governments of the Non-Aligned Movement, to which Mr Price has committed Belize; and the entire membership of the Opposition Parties in Belize have no doubt that such a request was made by the Soviet Union to Grenada.

The fact that Grenada had not yet made an "efforts" to influence Belize would not prevent her from doing so at a later date; except that the intervention by the Eastern Caribbean States and the U.S.A. put a halt to such a plan. Now, the assurance given by our Government that even if such overtures would have been made by Grenada, they would have been rejected by the PUP Government which is committed to a middle-of-the-road foreign policy, to the Commonwealth, and to the strengthening of ties with the United States--naturally has been welcomed by most Belizeans who want to be assured that Belize will not become a communist state.

The question is, why did the Soviet Union select Surinam and BELIZE? Why not Trinidad? Or is this the case where 'the cow knows which side of the fence is weak?

Here in Belize we have a famous Creole proverb: "COW KNOW WEH WEAK FENCE DEH°"

Apparently, Mr Price's Government will have to continue giving assurances in this respect.

CSO: 3298/646

PRICE VISIT TO HONDURAS SPOTLIGHTS TERRITORIAL DISPUTES

Remarks in Tegucigalpa

Punta Gorda TOLEDO STAR in English 26 Feb 84 pp 1, 6

[Text] ON THURSDAY, February 23rd at 4:20 PM the Hon Prime Minister George Price arrived at Toncontin International Airport in Tegucigalpa, the Capital of Honduras, and was boarded by local and foreign reporters. Mr Price was given a warm welcome by Honduras' Foreign Affairs Minister Dr Edgardo Paz Barnica, the Honduran Minister of Defence General Gustavo Alvarez Martinez and the Chief of Protocol.

Invited by Honduran President

Mr Price told the reporters that he had been invited by President Roberto Suazo Cordoba, and that his visit was intended to cement the friendly ties existing between Belize and Honduras.

Asked about the CONTADORA'S objectives, he stated that Belize supports Contadora; and that his Government also supports Dr Kissinger's plan for economic development of Central America.

"WE ARE NOT GOING TO FIGHT OVER THE SAPODILLA CAYES"--Price.

When asked about his views concerning the rights over Sapodilla Cayes, the Prime Minister said the Cayes belong to Belize, "but we are not going to fight over that."

The reporter then asked Honduras' Foreign Minister Paz Barnica who laughed and said "Of course the Sapodillas belong to Honduras!"

"WILL NOT FIGHT OVER SAPODILLA..."

The reporters continued pressing Mr Price with questions, most of which he evaded. He did not want to comment on US President Ronald Reagan's possible re-election.

The Prime Minister constantly repeated that Belize did not wish to intervene in the internal affairs of a other country, and that his visit to Honduras had

as its primary aim the cementing of good ties between Honduras and Belize.

Mr Price said Belize had no present interest in joining the CONDECA (Central America's Defence Organization) since military arrangements existed between Belize and the United Kingdom for Belize's defence.

The Prime Minister then sermonized by saying that the countries in the region should join to complete God's work on this planet by doing good works to perfect creation.

A CALL TO RECOGNIZE BELIZE AS AN INDEPENDENT SOVEREIGN STATE.

On Friday, Prime Minister Price declared in Honduras that Belize and Honduras formed part of Central America and the Caribbean, and called on Honduras to recognize the Independence and territorial integrity of Belize.

In his absence, Minister Louie Sylvestre acted as Prime Minister.

#### Guatemalan Reaction

Punta Gorda TOLEDO STAR in English 26 Feb 84 p 3

[Text] GUATEMALA CITY Feb 23rd.--Referring to P.M. Price's visit to Honduras, Guatemala's Foreign Minister Lic. Fernando Andrade Diaz-Duran told the press that Guatemala deplored Honduras' attitude in receiving Mr Price, but that Guatemala objects to any sort of recognition given to Belize as an Independent State. Mr Andrade said:--

"We shall not retreat one inch from our stand in not recognizing Belize until the Dispute is finally solved."

The Television and Radio reporters asked the Minister about Belize's participation in Central America's economic development plan as promoted by the (Dr Kissinger's) USA for political, social and economic recuperation of Central America, and the Minister replied that:--

"Belize will not be able to participate in any Central American project for development in which Guatemala will take an active part, until the Anglo-Guatemalan Dispute is peacefully and finally resolved."

#### Guatemala on Envoys' Meeting

Punta Gorda TOLEDO STAR in English 26 Feb 84 p 3

[Text] The Ministry of Foreign Affairs, with reference to a news item coming from Belmopan, Belize with respect to an interview which Guatemala's Ambassador to Washington Architect Federico Fahsen held with Belize's Ambassador to the United States, Mr H. Cain, informs the following:--

The interview was requested by Mr Cain, who wanted to communicate to Guatemala that within the oil exploration activity taking place in Belize, drilling and seismic tests will be made in the southern region of the territory.

Ambassador Fahsen informed the Ministry of Foreign Affairs immediately and this Ministry has requested all the information which the British Foreign Office may have about this matter. The request has been made through the Embassy of El Salvador in London, which attends to Guatemala's interests in Great Britain.

The Ministry of Foreign Affairs also deems it proper to declare:--

1. That the interview of Ambassadors Fahsen and Cain should not be interpreted as an introduction to any direct negotiation with Belize. The acceptance of the request made by the Belizean Ambassador responds to an act of courtesy.
2. Guatemala does not recognize, the Independence granted to Belize in an unilateral manner, and therefore does not recognize the State of Belize, and at the same time reiterates that it reserves its historical and juridical rights with respect to that territory. In this sense, Guatemala maintains that it will protect its geo-political interests.
3. The Government of Guatemala is disposed to continue negotiations which will lead to a negotiated settlement of the Dispute which it maintains with the United Kingdom of Great Britain and Northern Ireland over the territory of Belize.

Guatemala, February 10th 1984.

#### Price Maneuvers

Punta Gorda TOLEDO STAR in English 11 Mar 84 p 2

[Text] THE SINGLE, overriding problem facing Belize is the Guatemalan Claim over the territory. Belize, unless the Dispute is solved, will increase yearly on its budgetary expenditure for DEFENCE. Belize will also have to toe Britain's line in her Foreign policies in order to continue having the British troops here.

The Belizean Government will have to continue playing with Non-Aligned communist countries, in order to continue having their moral support against Guatemala's Claim. The General Elections held in Belize will not return genuine representatives to the National Assembly, but mostly those who like to say "No-Guatemala" even if they spend the 5-years term in office looking after their own personal business.

The whole matter is WRONG. The common Belizean man and woman do not want their taxes money to be given to soldiers who are driving around smoking weed. They want better housing; better medicines; scholarships for their

gifted children; more food for the table. The common Belizean man and woman do not understand this thing about Belize having to have ties with communists countries in order to get their support to fight Guatemala. They want the Dispute to be peacefully solved, with Guatemala.

Mr Price got into power by using Guatemalan money to establish his PUP firmly, and to fight the British colonialists. And he had told us that Guatemala was our friend. Then he turned around, in order to STAY in power and told us that Guatemala is not our friend, and that Britain is indeed our friend. So he has used Guatemala to get into power and to stay in power. And we have accepted everything he has said.

The time has come to change Mr Price and his PUP opportunists who played with Guatemala, then with Cuba, then with Nicaragua, and now want to play with the United States just to stay in power. He has never been sincere. He was never sincere with Guatemala, nor will he be sincere with the United States.

Mr Price has only worked for his PUP. After 24 years of governing this land, the people are still very poor; food is scarce; women have to become whores; men become thieves. LET US CHANGE PRICE.

#### Honduras Mediation Offer

Punta Gorda TOLEDO STAR in English 11 Mar 84 p 1

[Text] TEGUCIGALPA (AFP).--Honduras' Foreign Minister Edgardo Paz Barnica announced that Honduras was willing to mediate in the Anglo-Guatemalan Dispute over the territory of BELIZE, and that Honduras would support Belize's entry into the various Central American organizations.

#### Negotiated Settlement Pending

Mr Barnica stated that: "In accord with the evolution of the circumstances, and the peaceful and negotiated settlement pending conflicts, Belize as a democratic state can become a member of the regional organizations."

Nevertheless the Honduran Minister pointed out that Belize's entry into the Central American Bank of Economic Integration (CABEI) and other related Central American organizations, the other Republics in Central America have to be consulted in view that they would have to concur their willingness to accept Belize.

#### P.M. George Price Wants Early Settlement of Dispute

Mr Barnica announced that his Government would be pleased to serve as MEDIATOR in the territorial Dispute between Guatemala and Belize. He stated that Prime Minister George Price reiterated to him that Belize wants an early arrangement with Guatemala without prejudice to the interests of both countries. Mr Barnica hoped to meet shortly with Guatemala's Foreign Minister Fernando Andrade Diaz-Duran to inform him about the conversations in this respect. Honduras' Foreign Minister added that even though Belize had not yet made a formal request to Honduras, his Government was well disposed to cooperate by mediating the Dispute.

## TOLEDO PROGRESSIVE PARTY EMBRACES KISSINGER REPORT

Punta Gorda TOLEDO STAR in English 11 Mar 84 pp 5, 6

[Text] THE only Belizean political Party to have presented a MANIFESTO which embraces the central recommendations made by Dr Henry Kissinger's Commission Report, in order for Belize to share in the fruits of a unified, progressive and stabilized Central America, is the Toledo Progressive Party (TPP).

The TPP Manifesto of 1982 states in its closing paragraph thus:--"The TPP pledges to work for the betterment of Belize, to free its people from fear and apprehension and to assert their right to enjoy the fruits of the free world.

"This can be achieved by each and everyone of us acknowledging that it was Almighty God's design that we were chosen to live in Central America. We are thus bound by geography and ethnology to strengthen filial love at home, which is Central America, before venturing out the door into unknown communities that are locked in power struggles, terrorist activities, and the futile aim of world conquest."

The Kissinger Report says this:--"Central America is our neighbour. Because of this, it critically involves our own security interests. But more than that, what happens on our doorstep calls for conscience, History, contiguity and consanguinity--all these tie us to the rest of the Western Hemisphere. They also tie us very particularly to the nations of Central America."

LET US COMPARE a few of the TPP MANIFESTO's principles with Kissinger's recommendations:

EDUCATION--The TPP encourages the continuation of scholarships given to Belizeans by foreign institutions, and those provided by the W.I. Guatemala, Britain Canada and the U.S.A.

Kissinger: 'We recommend a program of ten thousand (10,000) scholarships to bring Central American students to the United States. (5,000 University level scholarships and 5,000 vocational-technical scholarships).'

HEALTH--TPP says, 'The United Nations has established guidelines for the eradication of disease. In this respect regional cooperation is highly necessary to obtain even the minimum success in these programmes.'

Kissinger: 'We recommend a resumption of the AID-sponsored program to eradicate vector-borne diseases such as malaria and dengue fever.'

AGRICULTURE--'The TPP will encourage a programme whereby the Moho basin can be mechanized to produce the Rice which the country needs. Technical help can be brought in from Central America and the United States.'

Kissinger: 'We also urge that a program be organized to provide seasonal credit to the agricultural sector which would meet a critical need in the region.'

TPP says, 'A practical land tenure policy should enable Belizeans to OWN the land on which they live and which they cultivate. This can serve as collateral when loans are required to improve on buildings, to better the method of cultivation, and for land development.'

Kissinger: 'We recommend that the financial underpinnings of the efforts to broaden land ownership be strengthened and reformed. Ways should be found to insure that the redistribution of land provides the new owners with a valid title, that governments promptly allocate resources to ensure that former owners are compensated, and that in the end the system enhances incentives to expand the nation's total agricultural output.'

HOUSING--TPP says, 'A large percentage of Belizeans do not own the houses in which they live. A special department should be established to determine the amount of low-cost houses to be built in each Town to shelter homeless families that can contribute under a hire-purchase system.'

Kissinger: 'We recommend that a major thrust in expanded-aid should be in labour-intensive infrastructure and housing projects.'

CENTRAL AMERICA--TPP says, 'Belize should join the Central American Common Market (CACM). Belize is in urgent need of revenue from trade and tourism, and our potentialities can be enhanced if Belize should take advantage of its geographical position.'

Kissinger: 'We urge that leaders of the United States and Central America should meet to initiate a comprehensive approach to the economic development of the region and the re-invigoration of the Central American Common Market.'

Members of the Central American Common Market contribute to a special Fund (CACMF), and the Kissinger Commission has recommended that the United States provide an emergency credit to the CACMF. The recommendation is also there for the U.S.A. to join the Central American Bank for Economic Integration (CABEI).

The Toledo Progressive Party has been of the opinion that Belize can benefit more by having its Dispute with Guatemala peacefully solved, than by forming alliances with far-flung Third-World, Non-Aligned nations, and pretending that military defence can give us Food, Clothing, Shelter, Education and Health.

The P.U.P. Government's NEW BELIZE magazine of January has even gone so far as to state that the Kissinger Commission recommendations "WOULD DO WHAT NO EXISTING REGIONAL BODY HAS DONE BEFORE. IT WILL PROVIDE ASSISTANCE CONTINUOUS AND COHERENT TO THE DEVELOPMENT OF THE REGION"!

It goes without saying that the best thing that could happen to Belize would be to be a member of the CACM, the CABEI, and thus become eligible to partake in \$8 Billion dollar aid package for Central America under C.A.D.O. proposed by Kissinger's Bi-Partisan Commission.

In its closing chapter, the TPP Manifesto explained Belize's right and need to take advantage of its geographical location in Central America, as THE GREAT REALITY!!!

DATA ON POPULATIONS & ANNUAL INCOME PER PERSON IN CENTRAL AMERICA:--

	<u>Population In Millions</u>	<u>Annual Income Per Person</u>
Costa Rica	2.35	\$2,062
Panama	1.9	1,675
Guatemala	7.7	1,063
Belize	0.175	836
Nicaragua	2.9	830
El Salvador	5.1	729
Honduras	3.9	671

CSO: 3298/647



## GOVERNMENT HIT FOR GIVING U.S. SAY OVER FOREIGN POLICY

Belize City DISWEEK in English 16 Mar 84 p 2

[Editorial]

[Excerpts] For a country that had a large measure of internal self-government before independence, one of the more significant gains of independence is the power to decide and pursue our own foreign policy in our own interests. If this power is put in the hands of others, then independence loses its meaning.

There are disturbing signs that a trend has been set in which places the real power to formulate and implement our foreign policy in the hands of a foreign power.

The Party now in government issued a pre-election manifesto which stated that "an independent Belize will pursue a policy of non-alignment.... It will seek to establish and maintain good relations with its neighbours, with the countries of the Americas, and with all peace-loving countries of the world." But we are now told that, yes, we are non-aligned, but the USA, one of the two superpowers in respect of which we are supposed to be non-aligned, is our "natural ally." We are left to guess whether this means it was so ordained by God. As to establishing relations, it has become increasingly clear that we can only establish relations with those countries which the USA allows us to. Perhaps this is a natural consequence of being a natural ally.

With mind-bending re-definitions; like that what is left of the supposed right of the people in a "democratic" society to make decisions?

A current and very important example of how this works is the reaction of government to the Kissinger Commission report. We are told that the Cabinet studied the report and, in effect, endorsed it. But for a start, Cabinet members had no access to copies of the report. The premises on which the report is based, the policy objectives is set out to achieve, and the details of its military and political plans remain as much a mystery to Cabinet members as to the public at large.

In the US itself, the report has been harshly criticized. One US newspaper calls it "one of the most reactionary and dangerous documents on Central America to have appeared in years .. it lays the basis for increased US

military involvement in the region." The leader of Britain's Labour Party has spoken of "the flawed reasoning of current US involvement in the region," and of "the dreadful potential of the continued pursuit of present US policy."

Maybe they are wrong, maybe the Kissinger Report is as wonderful as the Cabinet wants us to believe it is. But there is the rational discussion, based on solid information, which will allow us--and government--to make up our own minds on such a crucial issue? Who decides our foreign policy? Is it the people, or the peoples' representatives, or Washington?

CSO: 3288/647

## EXCHANGE PACT SIGNED WITH MEXICO; GENERATOR RECLAIMED

## Mexico City Meeting

Belize City DISWEEK in English 16 Mar 84 pp 1, 11

[Text] A detailed programme of cultural and educational exchange between Belize and Mexico has been agreed for the period 1984 to 1986. This agreement was reached at the second meeting of a mixed commission held in Mexico City from the 12th to the 14th March.

The Belize delegation was headed by Minister of Education and Economic Development Mr. Said Musa and included Mr. Ronald Clarke, Permanent Secretary in the Ministry of Education, Mr. Everal Waight, Permanent Secretary in the Ministry of Foreign Affairs and Mr. Inez Sanchez, Chief Education Officer.

The Mexican delegation was led by Lic. Ricardo Valero, Under-Secretary of Planning and Cultural Affairs. Discussions also took place between Minister Musa and the Secretary of Public Education of Mexico, Licenciado Jesus Reyes Heróles and also the Minister of Planning Carlos Salinas de Gortari. During the inaugural session Under Secretary Valero emphasized that "with this meeting we are pursuing the dialogue for further development of a long history of interaction between Mexico and Belize."

Both countries, he stated, have confidence in the future but realize that this future has to be fought for and won on a day to day basis.

Minister Valero (who is Mexico's Chief negotiator in the Contadora process) emphasized that the security of our frontiers is an inheritance of both countries deriving from fraternal relations based on mutual respect and dignity.

In reply Minister Musa declared that the efforts of Belize are based on the experience and the connection that Mexico has been faithful in her commitment to developing mutually, beneficial, cultural, economic, educational and political relations with the independent state of Belize. He went on to state that Mexico by her conduct is having a profound impact for good and for stability and peace in the countries of the Caribbean Basin and Central America.

"The whole world knows, he said, that Mexico has never protected hostile designs against the territory or the sovereign independence of another state, never funnelled weapons of war and of awesome destruction into conflict prone situations, never extracted unjust economic advantage out of weak and prostrate nations. There are therefore very good and sufficient reasons which make us so comfortable in constructing and expanding special relations with Mexico."

The work programme that was finally agreed upon between Belize and Mexico represents a significant break through in technical, educational cultural and artistic cooperation.

A number of scholarships will be offered to Belizean students at various levels in language arts, science and technology.

In addition there are specific programmes of support and assistance to Belize in the area of designs for a museum and a sports stadium, archeological protection and restoration, text book printing, music, drama, dance, arts and crafts, radio, television and film assistance will also be offered by the National Association of Universities and Institutes of Higher Learning of Mexico in the carrying out of diverse activities in collaboration with our Institution of Higher Learning. There will also be trianing and exchange visits in the fiêld of sports, cultural and artistic groups.

#### Electricity Problem

Belize City AMANDALA in English 16 Mar 84 p 1

[Text] BELIZE CITY, Fri. March 16 Old people say, "God bless the child who have his own", and this saying was never more true than in the case of Belize City and her electricity generating system. Because of massive ministerial corruption, the city does not have its own, and has been making do for the last five months with a portable Mexican generator which has guzzled diesel fuels at an amazing rate but has kept the city going, power wise.

Today, the Mexicans took their generator back to Mexico. They need it for some town there, and had been demanding it from the Belize government for some time.

As a result, city residents were treated yesterday to a Belize Electricity Board radio bulletin announcing that blackouts would begin again, TODAY, on a regular basis. For AMANDALA, that meant this morning, in the middle of our deadline rush hour, so BEB is the cause of our late publication.

BEB, typically overoptimistic, hoped in their release that a generator which is presently being overhauled would be ready next week to lessen the blackouts, and also hoped that the "new" Ruston generator (which should now be considered old, in view of the several years it has taken to be installed) would finally be operational by mid year.

Hope, they say, springs eternal.

CSO: 3298/647

GOVERNMENT ACCUSED OF KEEPING 'ENEMIES LIST' BASED ON 1981 EVENTS

Belize City AMANDALA in English 16 Mar 84 pp 10, 11

[Text] Following the April up-risings which threatened to topple the unpopular regime of Price and company in 1981, the government ordered its agents to prepare a list of its enemies.

Government has a file, reference number 2348, which is filled with the names of Civil Servants and employees of statutory boards who went on strike, "rioted" or became involved in opposing the infamous Heads of Agreement document.

The existence of such a list is no surprise. It is in keeping with a certain individual's obsession with remaining in power. It is the first time, however, our source has come into possession of copies of documentary evidence of the compilation of such a list.

It should be noted that Richard Nixon, former President of the U.S.A., who was chased from office by the wrath of the American people, was discovered to be keeping an enemies' list as well. Things like secret police, surveillance of citizens' mails and telephone calls, and enemies list are usually regarded as bad signs in a democracy.

As for those brave souls who stood up for their convictions against the H.O.A., nothing good has been happening to their careers under H.H.M.M.

CSO: 3298/648

CRITICISM CONTINUES OF GOVERNMENT ACTIONS ON ELECTORAL LAW

PUP Manipulation

Belize City THE REPORTER in English 11 Mar 84 p 2

[Editorial]

[Text] SOME THREE MONTHS AGO the opposition United Democratic Party tried to get the Supreme Court to rule to force the Elections and Boundaries Commission to open up its electoral rolls to allow the Party to extract information which would help in discovering voter registration fraud.

The Party argued that it was essential to take photographs of the binders of voter registration cards because the object of the exercise was to discover if, and to what extent, there were persons who had registered more than once under different names. An examination and comparison of photographs was the only way to do this, and the Party proposed, at great expense and at great pains, to videotape the binders of registration records which make up the election rolls.

The Representation of the People Ordinance 1978 at Part V (Subsection 67) seemed to give the Party the right to carry out such an investigation, and the rules made by the Minister under the authority of the parent Ordinance appeared to confirm this right.

The matter had to be taken to court because the Chief Elections Officer, Mr. Roy Young, had stopped the videotaping--abruptly and without explanation--during the second day of record-making. The opposition party had hoped to obtain a court injunction ordering the Chief Elections Officer to open up the records.

Fond Hope! What it got instead was a court ruling explaining that because the Minister of Home Affairs had neglected to lay the Registration Rules on the table of the House in 1978 when they were first introduced, the rules themselves were rendered null and void and consequently useless.

In this decision the Supreme Court depended on an affidavit sworn by the Clerk of the National Assembly, Mr. Maximilian Monsanto, affirming that the registration rules had never reached the House.

One would have expected that after all this the Administration would have apologized publicly and hastened to correct the matter. Not so! It has taken the government no less than ten weeks to propose new rules, and these new rules make it abundantly clear that the Government does not want anybody to go searching around for skeletons in any of its cupboards.

The new rules, which are of doubtful legality since they seem to contradict Subsection 67 of the law, states

"Permission granted to any person to peruse the binder of registration record cards shall not confer on any person so perusing any right to make a copy of any such registration record card"

So there we have it! The PUP Administration, now in power continuously since 1954, had used the big stick of the law to close the door to free and fair elections in this country.

Without fair registrations there can be no fair elections, and without unrestricted surveillance, there can be no fair registration. There are many reasons for suspecting that the electoral rolls, which Belmopan has tried so strenuously to shield from prying eyes, are riddled with double registrations of party supporters using false names.

The Prime Minister Mr. George Price may be able to strut around on the international stage, posing as he did last week in Tegucigalpa as a champion of democracy, but we at home know better. We recognize him as still an unrepentant Fascist.

\*Subsection 67 of Part V of the Representation of the People Ordinance states that "Where a document is made available for inspection, any person may make a copy of, or take extracts from such document

### Call for Antigovernment Struggle

Belize City THE BEACON in English 10 Mar 84 p 2

[Editorial]

[Text] DON'T run! Stand and fight for Belize! Security, freedom, democracy cannot be preserved in Belize unless Belizeans stand and fight for their country.

The fight for Belize must continue at the pools. It must continue in the Courts. It must be fought in the National Assembly and in the municipal bodies and in the village councils. It must be fought through more and more Belizeans entering the fields of commerce and industry and so gaining a stake in the economy of their country. Belizeans must become sturdy, independent, self-reliant, resisting the attempts of government to turn everybody into dependent robots of government.

No one should give up because the going is tough. The old saying is that when the going gets tough, the tough gets going.

We must fight and fight until we get free, fair and honest elections. We must campaign for honesty in government, until corruption is wiped out.

Many evil things are happening in this country because people do not speak out loud and strong. Radio Belize is a disgrace to a Christian, civilised nation. The victimization of people and whole communities for political reasons is intolerable. These evils must be fought.

They cannot be fought by running away. Do not let evil men chase us out of our own country. Fight them. Fight for our country. Fight for our security, our freedom and our democracy. Belize must be free. Belize will be free.

CSO: 3298/648



## PUP DISCRIMINATES AGAINST MEDIA, OPERATES ORGANS ILLEGALLY

Belize City THE BEACON in English 17 Mar 84 p 2

[Editorial]

[Text] A lot of people have contacted this newspaper to express their solidarity with us, and most of them have also been asking a question: they want to know how it is that the PUP newspapers never seem to get sued.

It is a most legitimate question.

Section 12 of the Newspapers Ordinance (Chapter 166 of the Laws of Belize) in fact requires every person who publishes a newspaper to first file a declaration with the Attorney General's Ministry in Belmopan. That declaration is to contain, among other things, the correct title of the newspaper to which it relates, the true description of the building wherein each newspaper is to be printed, and the true name, and place of abode of every person who is to be publisher or proprietor of the newspaper.

The purpose of requiring such a declaration is, as Section 14 of the same Ordinance later makes clear, to ensure that newspapers do not operate with legal anonymity: whenever newspapers commit criminal offences or are civilly liable to proceedings, it should be clear from the declaration which named persons are to be prosecuted or sued.

Additionally, Section 17 of the Ordinance also requires the publisher of every newspaper to enter into a bond before he begins publication. This bond is for the satisfaction of any judgments or penalties awarded against the newspaper.

Now we know that two PUP newspapers--the Belize Tribune and Disweek--are published in violation of the Newspapers Ordinance of Belize. And in the case of the Tribune, it is in violation both of Section 12 and Section 17 of the Ordinance (we reproduce on Page 4 of this issue, a letter dated 12th March 1984 in which the Solicitor General of Belize states quite categorically that the Tribune has failed to comply with the law. The letter, incidentally, was in response to a query made by an attorney acting on behalf of someone interested in commencing libel proceedings against the Tribune).

The Newspapers Ordinance provides for penalties to be imposed where breaches of its provisions occur. And in relation to Section 12, the Ordinance stipulates that every newspaper which fails to comply with the section shall forfeit and pay the sum of Two Hundred and Fifty Dollars for every day on which such newspaper is printed, published, sold or delivered in violation of the section.

It doesn't take a mathematical genius to figure out that were the law to be applied to the Tribune which has been publishing once weekly for over three years, it would be liable to pay some forty thousand dollars in fines.

The rub is, of course, that the Tribune can continue to break the law with impunity, and apparently need never fear prosecution. Yet the opposition newspapers are hauled into court at the slightest opportunity by the DPP, government ministers, and private PUP citizens. And, it appears, we are always made to feel the full weight of the law.

Various of the authorities have been talking a lot lately of the need to preserve respect for the administration of justice here in Belize. But as long as the Tribune and Disweek are allowed to continue their illegal publication, such talk will be hollow and dishonest.

The answer to the question asked by our sympathizers then, is simple: the PUP newspapers are not sued because in most cases they cannot be sued, the government has conspired to give them immunity from suit. They refuse to file the statutory declaration, and it is thus impossible to legally prove who their editors, and publishers--the persons to be sued--are.

It is a scandalous situation that demands to be put right. Let the authorities make a start by prosecuting the Tribune, that worst of offenders, now!

CSO: 3298/649

## UDP NAMES LOCAL CANDIDATES, IS ATTACKED BY CDP

## City Division Convention

Belize City THE BEACON in English 17 Mar 84 p 1

[Text] BELIZE CITY: The United Democratic Party (UDP) held its convention for the Belize City Albert Division at the St John's Schoolroom on Monday night, and selected elder statesman Hon. Philip S. W. Goldson as its candidate.

Guest Speaker for the occasion was Party Chairman Mr. Dean Lindo, and the convention was chaired by Party Leader Senator Manuel Esquivel. The nomination speech was delivered by Attorney-at-Law Mr Michael C. E. Young.

Mr. Goldson has served as a member of the National Assembly for 27 years, including the last 24 consecutive years during which he was Leader of the Opposition for 13 years.

Mr. Goldson will once again be the incumbent in the Albert Division, and the most widely favoured candidate in any party to retain his seat.

## Cayo Standard-Bearer

Belize City THE BEACON in English 17 Mar 84 pp 1, 2

[Text] UDP Deputy Chairman and San Ignacio Town Board member, Mr. Edwardo Juan Jr. ('Dito') has been elected UDP standard bearer for the Cayo North Division in the upcoming general elections.

The nominating convention took place in the San Ignacio Theatre on Sunday, March 11. Present at the convention were the Party Leader, Senator Manuel Esquivel; Party Organiser Mr San Perdomo, and Belize City Councillor Mr. Carlos Castillo. Three Town Board members vied for nomination, Mr. Eugenio Chuc, Mr. Dito Juan and Mr. Atanacao Quiterio.

Delegates attending the convention came from all villages of the division as well as from San Ignacio and Stana Elena. At the end of the voting it was Mr. Dito Juan who emerged the winner. The other two candidates pledged to support Mr. Juan to the fullest to ensure a UDP victory in '84.

## Christian Democrat's Statement

Punta Gorda TOLEDO STAR in English 11 Mar 84 p 3

[Text] The Christian Democratic Party takes exception to the undertone and to many statements made in the Press over the weekend, and if corrected can open up possibilities to the Opposition for the General Elections.

1. The Press (Amandala & Beacon) implied that the CDP attacked the UNDP in the same fashion that the UDP attacked Dr Aranda. Whereas the entire UDP came and viciously attempted to destroy Dr Aranda with its forces and resources from all over the country, its army of workers, its Mayors, its members of the National Assembly and its leaders, Dr Aranda and the CDP ignored the UDP force.
2. As the Amandala did sometime ago, the Press unduly accused Aranda of rousing ethnic sentiments in Garinagu without admitting the multitude of slurs being thrown at the Garinagu. It must be understood that Garinagu do not tolerate slurs or insults from anyone, and they don't need Aranda to point out slurs to them or how to react to them. As to racial discrimination the UDP, in an executive meeting did state that it had no confidence in Dr Aranda's leadership because, it claimed, no black man could lead this country. Dr Aranda did not need to report that: the Beacon published it. In Dangriga also, the UDP divisional leaders stated that the party would do better with a light-skinned candidate, and even campaigned on it. The CDP on the other hand, is bound by its principles to embrace members of all races and ethnic groups regardless of their financial status. It stands firmly against racial discrimination.
3. The Press wants to hold Aranda and the CDP responsible for the UDP's losing the (bye) elections by what it calls "splitting Opposition votes". The CDP is a party independent of all others. It is not affiliated to nor is it a fragment of the UDP or the PUP. It fought its own election and stood on its own. It gives no credit to any other party beside itself for its success nor does it scapegoat for its losses. What the Press now sees in hindsight, the CDP anticipated.
4. All in all, the UDP did not recognize Dr Aranda's qualities while he was leader, and felt that it could just knock him down and run over him. Perhaps it knows better now. Furthermore, Dr Aranda did not leave the UDP over the leadership issue, but had been contemplating leaving a year and a half before he did.

The CDP is a young party, only one year old last February 27, but on February 29 topped the UDP at the polls. The PUP is next...nationwide.

(sgd) S. M. Lewis-Sec-Gen.  
CHRISTIAN DEMOCRATIC PARTY

Editor's Note: This newspaper rightly predicted that "Dr Aranda's party (CDP) will now draw some otherwise UDP votes, causing one of the PUPS to slide in. Good combination would be for one UDP and one CDP to get in."

What happened was that the two PUPS got in. The counting showed whether it was the UDP that split their votes. If the two Opposition parties (UDP & CDP) had coalesced and placed Dr Henry Anderson and Mrs Cecilia Aranda on one ticket, they would have won. Total opposition votes were 1541, compared to the PUPS 1453. The question is why did half the registered voters stay at home?

And will the UDP and CDP each nominate a candidate for the General Election in Dangriga to make the P.U.P. win again?

#### Aranda Criticism of UDP

Belize City BELIZE SUNDAY TIMES in English 18 Mar 84 p 4

[Text] The Christian Democratic Party (CDP) takes exception to the undertone and to many of the statements made in the Press recently, and if corrected can open up possibilities to the Opposition for the general elections.

1. The Press, especially Amandala and the Beacon, implied that the CDP attacked the UDP in the same fashion as the UDP attacked Dr Aranda. Whereas the entire UDP, as a party, came and viciously attempted to destroy Dr Aranda with all its forces and resources from Corozal to Toledo, Belize to Cayo, its army of workers, all its mayors, its members of the House of Representatives and all divisional and national leaders, Dr Aranda and the CDP ignored the UDP force.

2. Just as the Amandala did sometime ago, the Press unduly accused Dr Aranda of rousing ethnic sentiments in Garinagu without admitting the multitude of slurs that have been thrown at the Garinagu. It must be understood that Garinagu do not tolerate slurs or insults from anyone, and they do not need Dr Aranda to point out slurs to them or how to react to them. As to racial discrimination, the UDP, in an executive meeting did state that it had no confidence in Dr Aranda's leadership because, it claimed, no black man could lead this country. Dr Aranda didn't need to report that; the Beacon published it. In Dangriga, also in an executive meeting, the UDP divisional leaders stated that the party would do better with a light-skinned candidate, and even campaigned on it. The CDP, on the other hand, is bound by its principles to embrace members of all races and ethnic groups regardless of their financial status. It stands firmly against racial discrimination.

3. The Press also wants to hold Dr Aranda and the CDP responsible for the UDP's losing the elections by what it calls "splitting Opposition votes." The Press and the UDP need to take a hard look at themselves. What the CDP invites them to do is to understand that the CDP is a party independent of all others. It is not affiliated to nor is a fragment of the UDP or the PUP. It fought its own elections, ran its own campaign and stood on its own. It

gives no credit to any other party beside itself for its success nor does it scapegoat for its losses. What the Press now sees in hindsight, the CDP anticipated.

4. All in all, the UDP didn't recognize Dr Aranda's qualities while he was leader, and felt that it could just knock him down and run over him. Perhaps it knows better now. Furthermore, Dr Aranda did not leave the UDP over the leadership question, but had been contemplating leaving the party an year and a half before he did. He saw no reason to be in a party with no direction, organization or future. Or as the Amandala once stated, a party that "self-destructs."

The Christian Democratic Party is a young party, only one year old last February 27, but on February 29 topped the UDP at the polls. The PUP is next....nationwide.

CSO: 3298/649

## PROJECTS EARMARKED FOR \$191,500 IN CANADIAN AID NOTED

Belize Dity BELIZE SUNDAY TIMES in English 11 Mar 84 p 7

[Text] The Canadian Government's 1983/84 development assistance allocation for Belize is \$191,500(Cdn). The Canadian High Commission office in Kingston, Jamaica, last week confirmed the list of projects funded as part of Canada's development assistance programme.

The Mission Administered Funds programme is intended to provide an important element of flexibility to the structure of the Canadian International Development Agency's (CIDA) programme in the Caribbean region and provides the Canadian High Commission office in Kingston with an opportunity to respond quickly to local requests in Belize. Under the Mission Administered funds programme the High Commission finances small scale projects involving economic, technical, educational or social development assistance for which Belize is eligible. Project assistance requests are approved by the Canadian High Commissioner and a Development Assistance Committee on the basis of written proposals received.

The approved list of projects for the 1983/84 Mission Administered Funds program to Belize includes the construction of classroom facilities for San Pedro High School (\$30,000), for the Maskall Village School Extension (\$35,000), and materials and equipment for the Cayo District Water and Sewerage project (\$40,000), Dental Health care equipment (\$21,000), promotional and training material for the Breast is Best League (\$12,000), grain drying equipment for the Toledo District (\$22,000), telephone and communication linkage for the Rockstone Pond Village Council (\$15,000) office equipment for the Council of Voluntary Social Services (\$12,500) and for the Belize Legal Aid Centre (\$4,000).

CSO: 3298/650

## LIVESTOCK PRODUCERS TAKE NOTE OF INDUSTRY ADVANCES

Belize City BELIZE SUNDAY TIMES in English 11 Mar 84 pp 1, 2

[Text] Minister of Natural Resources, Mr Florencio Marin, has told livestock producers that the United States Department of Agriculture (USDA) has given approval to Belizean meat. He told the annual general meeting of the Belize Livestock Producer's Association that the export of livestock on hoof is met the preferred method and that steps are being taken to go into the export of processed meat.

Last month, the Livestock Producer's Association announced it had exported some 3,000 head of livestock (live) to the French Caribbean islands of Martinique and Guadeloupe. These exports were valued at \$2 million. The exports to the new market in the Caribbean were made over a nine-month period and have helped to alleviate the surplus situation on the Belize Market.

Minister Marin told the Association which met last Sunday at the People's Stadium in Orange Walk Town that markets were being studied in the United States, Mexico and the Commonwealth Caribbean.

Some 500 farmers attended the meeting. The Association has a membership of 5,000. It is the biggest in the country.

The Chairman of the Association, Mr Colin Aquart said government deserved a vote of thanks and confidence for supporting their export efforts.

Mr Aquart also called on government to formulate a long term policy for the industry. "We need to plan our marketing and development years in advance," he said.

Mr Aquart noted that the total investment of the members of the Association was over \$200,000,000. "We own 400,000 acres of land and over 100,000 head of cattle, sheep, pigs and horses," he said.

Minister Marin welcomed the increase in the price for cattle on hoof from 50 cents to 75 cents per pound.

CSO: 3298/650



## BRIEFS

MARTINIQUE DELEGATION--A delegation from the Martinique Chamber of Commerce comprising of some twenty-three members will begin a four day visit here this Monday March 19th. The visit of the delegation is another in a series of exchanges between the Belize and Martinique Chambers of Commerce since their twinning a little over a year ago. It is expected that the Martinique delegation will be meeting with local businessmen and government officials to discuss matters related to trade and investment. Since the twinning arrangements of both organizations, Belize has increased its exports of livestock to Martinique. [Text] [Belize City DISWEEK in English 16 Mar 84 p 7]

NEW ECONOMIC DEVELOPMENT CHIEF--THE Ministry of Education and Economic Development has announced the appointment of Mr Raymond Fuller, as Director of the office of Economic Development. Mr. Fuller has been appointed as a consultant in economic planning and development to the Belize Government by the United Nations Development Programme. Mr. Fuller will be the chief Technical Officer in the Ministry of Economic Development and will serve as the Minister's adviser in private investment programmes and projects. He will also co-ordinate Public Sector Programmes, Investment and Export Promotion. Mr Fuller is former General Manager of the Development Finance Corporation. He has also served as Managing Director of the Caribbean Food Corporation and the DFC Investment Company. He has served the Belize Government as a Permanent Secretary in the Ministry of Natural Resources and Trade and later the Ministry of Trade and Industry. Currently he is the President of a private consultancy--Belize Investment Services. Mr. Fuller has also served on various Statutory Boards. He holds a Bachelor of Science degree from the University of the West Indies and has also studied at the Harvard Business School. His appointment took effect on 1st February, 1984. [Text] [Belize City THE BEACON in English 10 Mar 84 p 1]

CSO: 3298/650

## ISSUES OF CRIME, ROLE OF POLICE STIR CONTROVERSY

## PLP Criticism of Police

Hamilton THE ROYAL GAZETTE in English 6 Mar 84 pp 1, 4

[Excerpts] Bermuda's Police service is like an occupational force of foreign mercenaries protecting the establishment, Progressive Labour Party MP Mr. Frederick Wade told the House of Assembly yesterday.

And while Police Commissioner Frederick Bean is a black Bermudian, he is surrounded by white non-Bermudians who are probably the real decisionmakers, Mr. Wade claimed.

The set-up meant black Bermudian officers were isolated from their Commissioner, which was an obstacle to giving the whole force a "Bermudian flavour".

Mr. Wade, the Opposition's Home Affairs spokesman was speaking on the \$14 million budget for the Police for the coming year.

The debate also saw a strong attack by Government MP Mr. Harry Viera on people in the community who sought to pin tags of brutality on the Police with no other motive than to "neutralise good policemen."

"We should not even listen to those people in this community who keep making these blatant accusations against the Police without supportive evidence," Mr. Viera said.

"We should, in fact, take a closer look at who is making these allegations," he said.

"I am not saying that every Police officer is an angel, I'm just saying ours are among the most tolerant I have ever seen," Mr. Viera said.

Mr. Wade, during his address, said that every civilised country needs a police force to ensure law and order. But the fact that Bermuda was a British colony and had a history of policemen being drawn from Britain made good Police-public relations difficult.

"We get the feeling that the Police Force is designed more to protect one section of the community from another," said Mr. Wade.

"We have the appearance of a Police state."

He felt the main problem to be faced was that the force had a strong military structure of officers from overseas, which gave the impression they were mercenaries. There was also the problem of race.

"We have a white force protecting the establishment and trying to deal with a population that is largely black," he said.

"I admire and respect those people who take up policing in Bermuda as a career because it is very difficult with that background."

Mr. Wade said that British Police adviser Mr. Robert Bryan had recommended a more business-style structure in the force.

"At the moment we have a dictatorial style from the Commissioner down," he said.

"This all leads to internal and external problems. We have friction between black and white officers, Bermudian and non-Bermudian officers, Bermudians and West Indians, West Indians and English, and friction between Special Branch and everyone else.

"It seems Special Branch have run out of political activists to look at. So now they are looking at their own colleagues. To put it bluntly their job is to spy on their fellow officers."

Mr. Wade asked where the true power in the Police Force lay.

"We have a black Bermudian Commissioner. But he is surrounded by non-Bermudians who perhaps are the real decision-makers in the force. He is a titular head of the force, in a cocoon made up of non-Bermudians who bring this perception of being mercenaries to the force.

"This means black officers are isolated from their Commissioner. This stops them bringing a Bermudian flavour to the force. If we had a force dominated by Bermudians it would remove some of these internal problems."

Mr. Wade said the onus was on the Police to use restraint in dealing with some offenders, particularly young cyclists. He could recall as a boy of 16 racing down Berkeley Hill without lights with his friends and breaking traffic laws.

"That was our Saturday night fun," he said.

"And kids are just the same now."

But the consequences for a youngster being stopped now were worse because of relations between the Police and young cyclists. What might start as a speeding ticket could develop to the youngster not giving his name and then being charged with assaulting the officer.

He could find himself in prison, and then unable to travel to the United States because he had a conviction. The problem was something the community as a whole had to tackle.

Police tactics in dealing with suspected drug offenders was also leading to bad feelings.

"If you talk to a drugs officer he will tell you that as soon as you approach anyone suspected of drugs you must be prepared for violence and to give violence," said Mr. Wade.

"Certain officers on the squad give them a bad name. When they go on a morning search now they have to go armed because of fear of people who may have arms.

"But even drug offenders have rights. If you do not apply the law to everyone you have anarchy. There is nobody in this House any more who would condone the use of drugs.

"But some of us would fight to the death to defend the right to justice under the system. Yet some Police despise someone who defends a person who goes before the courts.

"They believe if a person goes to court he is guilty. They are prepared to serve as judge, jury and executioner. Some Police officers would abolish the whole court system and have trial by policemen."

The Hon. Sir John Sharpe, the Minister of Labour and Home Affairs, told the House that the Bryan report had concluded that the Bermuda force was diligent, effective and honest.

The Police-public ratio might seem very high, but it had to be remembered that Bermuda also had an influx of some 500,000 tourists every year and that many officers were in clerical and administrative jobs which could possibly be done by civilians.

Mr. Wade turned his attention to Police accommodation and said he often wondered why Police were isolated from the community in general in their barracks and even in teams and clubs.

He suggested that if they lived within the community a better relationship and understanding between Police and Public might develop.

He also questioned the Minister of Finance's plan to invest \$8 million overseas when when Police stations and other facilities needed repair and replacement.

Mr. Harry Viera (UBP) said the first duty of any government was to ensure that citizens and property were protected.

"It is clear to me that we need to increase the number of Police officers to carry out properly their stated objectives."

He quoted statistics which showed that last year the chances of a break-in at one's home were one in 35, while this year they were one in 30 and in some areas would probably be one in 20.

"I also believe we will have to spend more money on sophisticated electronic devices," Mr. Viera said.

"We cannot afford not to have expansion."

He said close on 1,000 Bermudians were on the US blacklist and forbidden entry there.

That, he said, represented one in 30 adults here.

Before too long, Mr. Viera went, all Bermudians would have to be applying for visas instead of enjoying the current easy access to the US.

He said despite countless accusations of brutality, just one percent of such allegations against the Police had been proved.

Only recently, Mr. Viera went on, a policeman had been pistol-whipped by a man carrying a Magnum and on other occasions dogs had been set loose on officers.

"I ask the question: Where is the brutality here?" Mr Viera said.

"We probably have one of the most timid Police forces by comparison in the world," he went on.

He said some of the individuals who had made noises about Police brutality had cases standing against them at the time and were "trying to throw as much dust as possible into the eyes of a jury."

#### Teachers' Views

Hamilton THE ROYAL GAZETTE in English 6 Mar 84 p 2

[Text] Tazpayers' money would be better employed by recruiting more teachers than Police, the president of the Amalgamated Bermuda Union of Teachers said yesterday.

Mr. Glenn Fubler was responding to Police Commissioner Frederick Bean's desire to see the Island's Police Force boosted by at least another 62 officers.

Mr. Bean's request prompted British Police advisor Mr. Robert Bryan to recommend in his report released last week that a manpower study of the Police be made.

But Mr. Fubler noted in a prepared Press statement yesterday: "It is ironic that the Commissioner of Police should be calling for an additional 62 officers to boost the size of our Island's force, which is already one of the largest in the world on a per capita basis."

"The irony is even greater," Mr Fubler went on, "because at this time Government is in the midst of a programme to cut back the number of teachers."

Mr. Fubler said reductions in teaching staff were having an impact at classroom level.

He said that in primary schools there had been a phasing out of specialists in art and music.

"At the secondary level principals have been forced to play off class size against teacher preparation time and the development of special programmes."

He went on: "The ABUT has consistently called on Government to use the opportunity provided by the reduction in the birth rate to improve the overall quality of education."

Mr. Fubler said maintaining specialists in the arts would not only contribute to the "fullest development" of younger children at the primary level, but would also allow more reasonable provisions for preparation time for teachers at this level.

"Improved class teacher-student ratios would enhance the full development of each student's potential," he said.

He said it had been shown that better educational opportunities cut down the chances of young people getting involved in anti-social activities.

"It is our considered opinion that the taxpayer's money would be better invested in education rather than in the aggrandisement of the Police Force.

"In the long term, prevention is always better than cure."

#### Neighborhood Watch Concern

Hamilton THE ROYAL GAZETTE in English 6 Mar 84 p 2

[Text]

Opposition Home Affairs spokesman Mr. Frederick Wade last night voiced concern at the growth of Neighbourhood Watch groups in Bermuda.

"It can be a dangerous thing to have the community develop its own private armies to provide law and order rather than justice," Mr. Wade said.

Mr. Wade told the House of Assembly that he frowned upon their development because often there was a thin line between neighbours watching each other's property and ringing the Police if necessary — which he supported — and vigilante groups which took the law into their own hands.

He referred to a recent *Bermuda Sun* article which quoted a Neighbourhood Watch member saying citizens were "tired of the soft-hearted approach towards criminals".

Neighbourhood Watch started in Bermuda towards the end of last year. There are now several in existence.

### Response to PLP

Hamilton THE ROYAL GAZETTE in English 7 Mar 84 p 1

[Text]

Minister of Labour and Home Affairs, the Hon. Sir John Sharpe, yesterday defended the Bermuda Police, rebuking PLP spokesman Mr. Frederick Wade for his "shabby, mischievous and misleading remarks" about non-Bermudian officers.

Mr. Wade, Shadow Minister of Labour and Home Affairs, said during Monday's budget debate that the Police Force was dominated by non-Bermudians — "mercenaries" who spied on fellow officers.

But Sir John said without these non-Bermudian officers, criminals would "run riot" in the Island.

"To brand the Police a 'foreign occupation force of mercenaries' is to undermine both their effectiveness and their morale," he said.

"It should be remembered that because there are insufficient Bermudians, the Commissioner is obliged to recruit from overseas.

"Without the dedicated assistance of the non-Bermudians on the Police Service, the criminal elements would literally run riot in Bermuda."

The Home Affairs Minister also took exception to Mr. Wade's inference that black Bermudian Mr. Frederick Bean was a puppet Police Commissioner, with title but no real authority.

"It is an insult to the Commissioner particularly, and to the black people of Bermuda generally."

Commissioner Bean, he said, was respected both within and outside the Police Service.

"I know from observation that he is very much in charge of the Police Service."

*The Royal Gazette* also came in for a reprimand from Sir John for the prominence it gave Mr. Wade's comments.

● The Minister yesterday cleared up any mystery that might have existed concerning the Government post of coordinator of security services, currently held by Mr. John Drinkwater.

It was Mr. Wade who raised the query in the budget debate, asking: "What, exactly, is the co-ordinator supposed to be doing?"

Sir John explained that Mr. Drinkwater, who earns \$40,000 to \$43,000 a year, "assisted in coordinating policies and practices of the Bermuda Regiment, the Fire Services and the Police".

Specifically, his duties include overseeing matters of recruitment, manpower, pay and conditions of employment, as well as obtaining equipment, uniforms, stocks and stores for the groups in question.

The co-ordinator of security services also serves as secretary to the following committees and tribunals: the Bermuda Intelligence Committee, the Defence Board, the Defence Exemption Tribunal, the Defence Medical Board, the Fire Services Board, the Police Disciplinary Committee, the Police Tribunal and the Security Committee.

"If he has any spare time after that, we can find him something else to do," Sir John quipped.

### PLP Senator's Reply

Hamilton THE ROYAL GAZETTE in English 8 Mar 84 p 5

[Text]

PLP Senators were accused yesterday of trying to "patch up" remarks about the Police Force made by Mr. Frederick Wade, PLP Home Affairs spokesman, in the House of Assembly on Monday.

Senator Llewellyn Peniston (UBP) said it was fortunate the Opposition had a physician to apply Band-Aids to put over the political wounds caused by one of their leading members in the House.

Mr. Wade said during the budget debate on Monday that there was a feeling that Bermuda's Police service was like an occupationary force of foreign mercenaries protecting the establishment.

And while Commissioner Frederick Bean was a black Bermudian, he was surrounded by white non-Bermudians who were probably the real decision-makers.

Senator David Allen (PLP) said that Mr. Wade had only stated what seemed to be the impression among the community.

He said he was surprised Labour and Home Affairs Minister the Hon. Sir John Sharpe had needed to call a "fully-fledged Press conference" on Tuesday to refute the remarks when the Minister had the chance to do so in the House on Monday and during yesterday's session.

Sir John called Mr. Wade's words "shabby."

Senator Allen said some people perceived the Police this way and that was a reality. "We cannot bury our heads in the sand like an ostrich as Government seems to be doing here.

"There are people who feel that the foreign officers are running things their way. We realise there have been problems getting Bermudians but we must find out why they are so loath to join," Senator Allen said.

"Perhaps we need to look at policy here, particularly when we see the success of the Regiment, although they are part-time.

"We all support the Police but it does not mean we should have our hands tied when trying to make constructive criticism," he added.

Senator Allen's remarks had been prompted by a statement from Senator Peniston earlier in the meeting when he called Mr. Wade's remarks about Commissioner Bean "vitriolic and occasionally derogatory."

Senator Peniston said the Police deserved more support in a climate of rising crimes of all sorts.

He said to suggest Commissioner Bean was the titular head while white non-Bermudians made the decisions "was not only insulting to the Commissioner but "reflects the lingering tendencies of many other blacks to quickly tear down the accomplishments of members of their own race and often offer the insulting label "Uncle Toms."

Senator Charles Bean (PLP) said Senators had a duty to bring up for attention the impressions people had and there was a "good percentage" of people who felt the way Mr. Wade said.



Senator Jennifer Smith (PLP) said Police had set up a new public relations department, presumably because of such impressions and to bring home the good they often did that failed to win notice.

She said she felt that although others were trying to twist what Mr. Wade had said, the Police would appreciate it.

Senator the Hon. Charles Collis, Government spokesman, commented: "I cannot honestly believe the Senator thinks the Police would appreciate those sort of comments.

"We have seen an awful lot of backpeddling here in trying to cover up the rather uninformed remarks about the Police Force.

"I extend my congratulations to the other side here that they have seen the light and have tried to gloss over destructive remarks made by a former deputy leader of the Opposition."

#### Parliamentary Appeal

Hamilton THE ROYAL GAZETTE in English 13 Mar 84 p 1

[Excerpts] Nineteen Members of Parliament were last night behind an appeal to the Governor to allow the Police to bring in outside help to stem the "crime wave" sweeping some areas of the Island.

During an emotional debate in the House of Assembly last night, MPs discussed the spate of burglaries and break-ins which reached a peak at the week-end.

The 19 MPs signing a petition to the Governor, Viscount Dunrossil, are asking him to allow Police to bring in a tracking dog and handler in an all-out attempt to catch thieves responsible for the crimes.

"It is time to stand up and be counted," said Government MP Mr. Harry Viera. "The time is now to act before the situation gets worse."

"We will be abdicating our responsibility if we refused to act on all fronts," Mr. Viera said. He added that "Draconian" measures were now needed to fight the crime wave he had long predicted would come about.

But Mr. Frederick Wade (PLP) opposed the call for a tracking dog, noting that it was such dogs that sparked the 1968 riots.

"The (UBP MPs) have attempted to raise the aura of fear and terror in the minds of Bermudians," said Mr. Wade. "I know what it is like to have your house and privacy invaded. But I don't believe that just because I was attacked that I ought to be in favour of anarchy. "I don't see how the introduction of a canine squad is going to assist in Police work. I don't believe we should introduce measures that could make the situation worse."

## BROADCASTING COMPANY IN FINANCIAL DIFFICULTY

## 13-Month Losses

Hamilton THE ROYAL GAZETTE in English 9 Mar 84 p 2

[Text]

The controversial 1982 takeover of ZFB came under renewed scrutiny yesterday in the wake of dramatic staff and programming cuts announced on Wednesday by the Bermuda Broadcasting Company.

General manager Mr. Mike Tindall revealed yesterday the company had lost nearly \$1 million in the 13 months up to the end of April. In 1981 the company made a profit of \$453,903.

As a result of the losses, he said the company was making 14 employees redundant and broadcasting hours were to be drastically cut.

When the BBC paid \$1 million to take over the Capital Broadcasting Company in May 1982, broadcasting policy was the responsibility of the Minister of Home Affairs, the Hon. Sir John Sharpe.

In a statement to the House of Assembly at the time Sir John said: "The main public reaction has been one of concern — which I share — that the television news gathering and dissemination facilities will be owned by one company and effectively operated by one management, notwithstanding the editorial independence promised for the separate channels."

Later in his speech he observed: "Public interest might best be served by attaching further conditions at the time of the renewal of their licences in an effort to ensure the editorial independence of the two stations (as far as the news is concerned) to improve the quality and content of programmes and by encouraging competition from other sources."

He subsequently recommended the merger be allowed to go ahead but that

consideration be given to imposing licence conditions.

Since then broadcasting policy has become the responsibility of the Minister of Industry and Technology, the Hon. John Stubbs.

Dr. Stubbs said yesterday: "I think that was a very carefully worded statement at the time and of course certain provisions they (the BBC) have failed to comply with, however that has happened in circumstances that have changed."

"We were rather hoping that a situation would emerge where they would have at least two separate editors, and in the best of circumstances, two groups of television journalists."

Dr. Stubbs used the Bermuda Press which owns both *The Royal Gazette* and the *Mid-Ocean News* as an example of how this could have been achieved.

"But I think that changing circumstances have made that impossible and as a government we cannot mandate things that are economically unsupportable in the private sector."

Dr. Stubbs said that Government involvement in a television station, in the manner of the British Broadcasting Corporation or the Canadian Broadcasting Corporation had not been ruled out but that he would prefer to avoid intervention.

A major shareholder in the BBC is the Hon. Quinton Edness, Minister of Works, Housing, Agriculture and Fisheries. He said yesterday that the takeover could have been a mistake.

"It depends on which way you look at it. The BBC did say at the time that one of the reasons for doing it — and perhaps we

were being too altruistic — was that it was important for the community to have two channels of television. We tried to do that and from that point of view it was a good thing.

"From the business point of view, the assumption that the two channels were going to retain the same business or possibly increase it, I think that was a mistake."

As to the cutbacks themselves Mr. Edness said he had complete confidence in the BBC management: "The cuts were absolutely necessary and if the company is to be saved they had to be made."

"The situation is very unfortunate and in the interests of the community we are working to get the company back on a sound financial footing."

### Resulting Cutbacks

Hamilton THE ROYAL GAZETTE in English 10 Mar 84 p 1

[Text]

Further drastic cuts at the Bermuda Broadcasting Company may be necessary unless the television and radio group can stem losses that have cost it nearly \$1 million in resources over the past two years.

General Manager of Bermuda Broadcasting Mr. Michael Tindall also said yesterday that further losses could mean one of the television stations being closed.

The outlook could be further clouded if other television operators such as Cablevision come into being while Bermuda Broadcasting attempts to recover.

"If in June the downward trend is going at the same rate, then further cuts will have to be made," said Mr. Tindall. "The prudent thing would be to close one station."

Mr. Tindall's comments come on the heels of a shock announcement this week that the company was making 14 staff members redundant and was curtailing television services because of continuing financial losses.

The announcement resulted in the Bermuda Industrial Union calling for

the resignation of Mr. Tindall, a Canadian who took up the general manager's role at Bermuda Broadcasting less than a year ago.

President of the BIU Mr. Ottiwell Simmons MP said that much of the blame for problems at Bermuda Broadcasting lay with Mr. Tindall, adding that it was he who should go rather than the 14 staff members dismissed this week.

That brought a short, terse comment from the company's directors, who also released two letters exchanged between the company and the BIU concerning current negotiations for a new wage pact for workers at the company.

"In light of recent allegations made by Mr. Simmons, the Directors have decided to release the attached letters, which clearly set out their position, and support for management," said the Directors.

In a letter dated March 6, company secretary Mr. Frank Mutch told the BIU that the company had taken out a \$510,000 demand loan and \$100,000 overdraft facility to meet company expenses.

He also noted that in the two-year period from January 1982 the company's resources had been "depleted by over \$800,000".

"Our company's position is now such that unless agreement is quickly reached on a very modest scale of wage increases, the company may be forced to curtail even further its operations," said Mr. Mutch.

"We seem to have failed to convince you of the seriousness of our financial position.... We urgently urge you and your members to give more sympathetic consideration to our situation."

That letter was written in reply to another sent to the company by Mr. Simmons on February 21. He accused the company of intimidating and victimising unionised workers, and dragging its feet in wage negotiations.

"We suggest that a remedy to the existing conditions cannot be found in any formula which does not include a change in the attitude of management," said Mr. Simmons.

"The workers are of the opinion that your present management team is incapable and lack the qualifications necessary to run ZBM and ZFB."

Mr. Tindall pointed out that the company profits had dropped steadily from a record \$665,000 in 1980, \$445,000 in 1981, \$101,000 in 1982 and a loss of \$384,000 in 1983.

He insisted that the company's fortunes had begun to decline before he began working for the company.

But Mr. Simmons insisted that it should be Mr. Tindall who should be made redundant rather than the 14 staff let go this week.

Mr. Tindall said that he had no intention of resigning as general manager. And he denied that the cause of the problems lay with him.

"It's hard to predict what will happen, but if we can all work together I think we can keep all the stations going," said Mr. Tindall.

"But we must regain the advertisers' confidence. That's the key."

### Union Protest

Hamilton THE ROYAL GAZETTE in English 10 Mar 84 p 1

[Text]

Unionised workers at the Bermuda Broadcasting Company last night decided to protest the company's decision to declare 14 redundancies and cut back services.

The type of protest action was not announced.

BIU President Mr. Ottiwell Simmons MP said that company employees met last night to discuss the latest development.

He added that a general membership meeting of the BIU will be called.

"Any form of protest shall have the objective that Mr. Michael Tindall (the company's general manager) must go," said Mr. Simmons.

## BRIEFS

HOUSING LOANS--Government has guaranteed US \$31 million worth of loans taken by the Housing Corporation, it was announced in the House of Assembly yesterday. The Hon. David Gibbons, Minister of Finance told the House the corporation has borrowed the money to provide short term funds until long term financial arrangements can be negotiated. The money has been borrowed at 3/8 per cent over the three-month interest rate in the London banking market. The money was borrowed in US currency against six promissory notes. These were executed in favour of the Bank of Nova Scotia, Toronto for \$6 million, N. M. Rothschild and Sons, London, for \$5 million, Baring Brothers and Co, London for \$5 million, the Chemical Bank of 227 Park Avenue, New York for \$6 million, International Westminster Bank, London for \$6 million and again the Bank of Nova Scotia, Toronto, for \$3 million. Repayment dates range from March 20 to April 27. [Text] [Hamilton THE ROYAL GAZETTE in English 15 Mar 84 p 2]

CSO: 3298/652

POLL: 73.3 PERCENT OF PDS SUPPORTERS WANT DIRECT ELECTIONS NOW

Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Feb 84 pp 1, 10

[Excerpts] The vast majority (73.3 percent) of PDS [Social Democratic Party] voters want to elect the next president of the republic by direct vote. This discovery was made by the FOLHA poll taken in six Brazilian capitals: Sao Paulo, Rio, Belo Horizonte, Porto Alegre, Curitiba and Salvador. Only 21 percent of the electorate which voted for PDS candidates in the elections of November 1982 still have confidence in the indirect Electoral College.

The Rio Grande do Sul PDS voters are the ones who were most vehement about demanding direct elections now (95.2 percent), whereas the government party's electorate in Curitiba showed less enthusiasm for the idea (64.9 percent).

The data collected in the Sao Paulo capital disclose that 93.6 percent of the PT [Workers Party] electorate want direct elections now, followed by those who voted for PMDB [Brazilian Democratic Movement Party] (87.5 percent), and for PTB [Brazilian Labor Party] (82 percent). And, among the Sao Paulo PDS electorate, 69.4 percent prefer direct elections.

The FOLHA poll also shows that anticommunism no longer acts as a device for curtailing the campaign on behalf of a return to direct elections, a position assumed by Maluf and Andreazza.

Nearly three quarters, 73.3 percent, to be more exact, of the electorate that voted for PDS candidates in the 1982 elections want to elect the next president of the republic directly, in contrast to only 21 percent of the PDS electorate which still has confidence in the indirect Electoral College, according to a poll taken by FOLHA in six Brazilian capital s (Sao Paulo, Rio, Belo Horizonte, Porto Alegre, Curitiba and Salvador).

These data, produced by a sample poll with a scientific margin of error of only 3 percent, confirm the fears of the government party leader in the Federal Chamber, Deputy Nelson Marchezan, regarding the risk of a national disappointment in the event that the constitutional amendment reestablishing direct elections is not approved. Strangely enough, it was the PDS supporters in Rio Grande do Sul, heard in Porto Alegre, who expressed the most vehemence in

demanding direct elections now (95.2 percent), while the PDS voters in Curitiba showed less enthusiasm for the idea (64.9 percent). In any event, if the PDS congressman does not want to commit political suicide and have his career interrupted, he will have to realize that the idea of "direct elections now" has penetrated the rank and file and has the backing of the majority of the government party's voters.

In the overall computation (voters from all parties), the preference for direct elections now in the six capitals polled remains at a high level (82.5 percent), as opposed to only 10.6 percent for those who still trust in indirect elections and 6.8 percent for those who do not know what the best procedure is for electing the president of the republic.

The data gathered in the Sao Paulo capital deserved a more careful examination, because they explain a great deal. As expected, it is the PT voter who shows the highest degree of consistency in the option for direct elections now (93.6 percent), followed by the PMDB voters (87.5 percent) and the PTB voters (82 percent); and this helps to explain the presence of Deputy Ricardo Ribeiro, head of PTB, at the suprapartisan meeting at which it was decided to create a national committee for direct elections. Among PDS' Sao Paulo voters, the preference for direct elections amounts to 69.4 percent.

From the comments gleaned among those interviewed in Sao Paulo, it is obvious that the individuals upholding direct elections are more affirmative in their arguments than are those who prefer to trust in the Electoral College.

Example: "To elect the governors freely is the most fundamental right that any people can have; it is better to make a mistake than not to have a chance for this."

Many claim that they are tired of appointees "who do nothing," and say that "the movement for direct elections is a sign of the people's maturity." One woman stressed: "We need to choose what is good for us; they have filled us with doubts and they don't ask us anything."

Those favoring indirect elections are now faltering in their arguments, and repeating old cliches, such as "the people are not ready to vote," or "it's no use, because the people would choose and they (of the group in power) would not let them do anything. So it is better to appoint one of them and the people would not have to take the trouble to vote."

#### Sampling Method Guarantees Results

Every poll taking by sampling operates with a margin of error stemming from fluctuations due to the effect of chance. Inasmuch as the alternative, of operating with the entire population instead of with a sample, is impossible operationally, the reliability of the poll is gaged by the sampling error. The size of the sample and the planning of the extraction of sample units provide the elements that afford the establishment of a margin of error that may be incurred.

The FOLHA poll was based on aleatory stratified sampling methods, its basic requirements being to have a representation of the different socioeconomic segments of the population, the regional differences within the cities polled and the composition of the population by sex and age. The maximum anticipated error was reckoned at 3 percent. So, when the poll reveals a percentage of 25 percent, for example, the knowledge of the maximum error indicates that, if the poll had been taken with the whole population, that percentage would lie between 22 and 28 percent. However, the occurrence of a figure close to the extreme ends of that range is rather unlikely, and the percentage found in the sample may be taken as a correct figure. When we make this assertion, we are saying that the published percentages are statistically significant, and from the standpoint of statistical methodology, there is no evidence sufficient to discredit the efficacy of the procedure.

#### Anticommunist Preaching Does Not Work

Anticommunism is no longer operative as a device for curtailing the national campaign for direct elections now. Such is the obvious conclusion from a reading of the data from one of the items in the FOLHA poll this week, when it was noted that 75 percent of the voters heard from in six Brazilian capitals disagree with the statements made by PDS' two presidential hopefuls concerning the communist inspiration of the pro-direct elections campaign.

Only 13.5 percent of those interviewed replied "yes" to the question: "Do you think that the campaign to reestablish direct elections for the president of the republic is a communist-inspired movement, as the candidates for the indirect elections, Paulo Maluf and Mario Andreazza, have claimed?" More than 10 percent of them were doubtful about the claim.

The bulk of those giving credence to Maluf and Andreazza lay with those polled in Salvador and Curitiba, whereas those in Rio de Janeiro and Porto Alegre were the ones who most rejected the insinuation.

In the specific instance of Sao Paulo, one man who claimed to agree with the statement that the campaign for direct elections is inspired by the communists argued: "In Maluf's time, trains were not burned, nor were little children killed." However, when provoked by the question many replied: "It is not an aspiration of theirs (the communists) alone, but of the entire Brazilian people, and it is only right for them to participate in the movement."

Some who were interviewed discredited the claim made by the former Sao Paulo governor, considering it self-seeking: "Maluf is the one who should be a communist, and this is an excuse of his, because he would not have the slightest chance in direct elections." Another interviewee remarked: "Maluf and Andreazza want to extort the popular movement, but they will not succeed in dispersing the people even by attributing the campaign to the communists." Another concluded, ironically: "We are already under communism, because we lack the freedom to select the president."



An offshoot of the poll: a bit of disillusionment regarding the vote cast in the last elections, with comments indicating regret about the election of Montoro. Another person, even more regretful, remarked: "I voted for the government party to guarantee my job. It didn't work, and I lost it."

The FOLHA poll is the work of the FOLHA Poll Department, under the direction of sociologist Mara Nogueira Kotscho. The author of the poll plan and of the academic guidance is Prof Dr Reginaldo Prandi, of USP's [Sao Paulo University] Social Sciences Department. The formulation of the topics and the analysis of the material was the responsibility of the editorial staff.

2) 1) ELEITORES DO PDS NAS 6 CAPITAIS							
Na sua opinião, o próximo Presidente da República deveria ser escolhido em eleições:							
	S. PAULO %	R. JANEIRO %	B. HORIZONTE %	P. ALEGRE %	CURITIBA %	SALVADOR %	Média ponderada % 3)
Diretas 4)	69,4	67,6	79,6	95,2	64,9	89,3	73,3
Indiretas 5)	26,5	25,0	10,8	2,4	34,2	10,7	21,9
Não Sabe 6)	4,1	7,4	9,6	2,4	0,9	—	4,8
NÚMERO DE ENTREVISTAS 7)	(170)	(148)	(83)	(82)	(111)	(168)	(762)

Chart 1.

Key:

1. PDS Voters in the Six Capitals
2. In your opinion, should the next president of the republic be selected in elections:
3. Weighted average
4. Direct
5. Indirect
6. Don't know
7. Number of interviews

(1) Na sua opinião, o próximo Presidente da República deveria ser escolhido em:

(2)

(PARTIDO EM QUE VOTOU NA ÚLT. ELEIÇÃO)								(NÍVEL DE RENDA FAMILIAR)				
(3) CATEGORIAS	(4)							(10)			(11)	(12)
	PDS	PMDB	PDT	PT	PTB	Branco Nulo	Total %	Até 2 SMs	De 2 a 5 SMs	+ de 5 SMs	Total %	
Eleições Diretas (5)	69,4	87,5	(11)	93,6	82,0	70,5	82,7	79,0	83,3	90,5	83,4	
Eleições Indiretas <sup>(6)</sup>	26,5	7,1	(3)	1,4	10,0	12,5	10,7	11,0	11,2	7,5	10,3	
Não sabe (7)	4,1	5,4	—	5,0	8,0	17,0	6,6	10,0	5,5	2,0	6,3	
NÚMERO DE ENTREVISTAS (8)	(170)	(464)	(14)	(140)	(100)	(112)	100,0 (1000)	(300)	(400)	(200)	100,0 (900)	

(13) Em São Paulo, 82,7% dos eleitores de todos os partidos preferem eleger pelo voto direto o próximo presidente da República, opção independente do nível de renda das entrevistadas

Key:

1. In your opinion, should the next president of the republic be selected in:
2. (Party for which you voted in the last election)
3. Categories
4. Blank/null
5. Direct elections
6. Indirect elections
7. Don't know
8. Number of interviews
9. (Family income level)
10. Up to 2 minimum wages
11. From 2 to 5 minimum wages
12. Over 5 minimum wages
13. In São Paulo, 82.7 percent of the voters of all parties prefer to elect the next president of the republic by direct vote, regardless of the income level of those interviewed.

# 1) RESULTADOS NAS 6 CAPITALAIS

2) Na sua opinião, o próximo Presidente da República deveria ser escolhido em:

3) CATEGORIAS	4) (partido em que votou na últ. eleição)						5) MÉDIA PONDERADA %
	SP %	RJ %	BH %	PA %	CO %	SAL %	
Eleições Diretas 6)	82,7	79,2	89,0	89,3	78,5	87,7	82,5
Eleições Indiretas 7)	10,7	13,2	3,7	0,7	19,5	6,7	10,6
Não sabe 8)	6,6	7,6	7,3	10,0	2	5,6	6,8
NÚMERO DE ENTREVISTAS 9)	(1000)	(600)	(400)	(300)	(400)	(300)	100,0 (3000)

10) Em seis Capitais, 82,5% do eleitorado preferem as eleições diretas agora

RIO DE JANEIRO 11)							
	PDS %	PMDB %	PDT %	PT %	PTB %	B/N %	Médio %
Diretas 12)	67,6	81,5	87,0	86,7	83,6	61,4	79,2
Indiretas 13)	25,0	12,3	5,6	11,1	11,9	15,9	13,2
Não Sabe 8)	7,4	6,2	7,4	2,2	4,5	22,7	7,6
N.º Ent. 9)	(148)	(81)	(213)	(48)	(67)	(44)	100,0 (300)

14) No Rio de Janeiro, 67,6% dos que votaram no PDS preferem o voto direto

BELO HORIZONTE 11)							
	PDS %	PMDB %	PDT %	PT %	PTB %	B/N %	Médio %
Diretas 12)	79,6	91,6	(4)	94,1	(2)	82,6	89,0
Indiretas 13)	10,8	1,7	—	3,9	—	—	3,8
Não Sabe 8)	9,6	6,7	—	2,0	—	17,4	7,2
N.º Ent. 9)	(83)	(237)	(4)	(81)	(2)	(23)	100,0 (400)

15) Apenas 3,8% preferem as indiretas, em Belo Horizonte, contra 89% pelas diretas

CURITIBA 11)							
	PDS %	PMDB %	PDT %	PT %	PTB %	B/N %	Médio %
Diretas 12)	64,9	85,1	69,2	92,9	80,0	72,7	78,5
Indiretas 13)	34,2	12,8	30,8	7,1	20,0	18,2	19,5
Não Sabe 8)	0,9	2,1	—	—	—	9,1	2
N.º Ent. 9)	(111)	(235)	(13)	(114)	(5)	(22)	(400)

16) Os pedessistas de Curitiba foram os menos entusiasmados: 64,9% preferem as diretas

PORTO ALEGRE 11)							
	PDS %	PMDB %	PDT %	PT %	PTB %	B/N %	Médio %
Diretas 12)	95,2	98,0	95,7	100,0	(2)	45,5	89,3
Indiretas 13)	2,4	—	—	—	—	—	0,7
Não Sabe 8)	2,4	2,0	4,3	—	—	54,5	10,0
N.º Ent. 9)	(82)	(98)	(44)	(28)	(2)	(44)	100,0 (300)

17) Em Porto Alegre, quase a totalidade dos pedessistas (95,2%) é pelas diretas

SALVADOR 11)							
	PDS %	PMDB %	PDT %	PT %	PTB %	B/N %	Médio %
Diretas 12)	89,3	91,1	—	80,0	—	72,2	87,7
Indiretas 13)	10,7	—	—	5,7	—	—	6,7
Não Sabe 8)	—	8,9	—	14,3	—	27,8	5,6
N.º Ent. 9)	(168)	(79)	—	(33)	—	(18)	100,0 (300)

18) Em Salvador, a preferência do PDS pelas diretas suplanta a do PT

Chart 3.

Key:

- Results in the 6 Capitals
- In your opinion, should the next president of the republic be selected in:
- Categories
- (Party for which you voted in the last election)
- Weighted average
- Direct elections
- Indirect elections
- Don't know
- Number of interviews
- In six capitals, 82.5 percent of the electorate prefer direct elections now.
- Average
- Direct
- Indirect
- In Rio de Janeiro, 67.6 percent of those who voted for PDS prefer the direct vote.
- In Belo Horizonte, only 3.8 percent prefer indirect elections, as opposed to 89 percent favoring direct elections.
- The PDS voters in Curitiba were the least enthusiastic: 64.9 percent prefer direct elections.
- In Porto Alegre, nearly all the PDS voters (95.2 percent) are in favor of direct elections.
- In Salvador, the preference for direct elections supplanted that of PT.

# RESULTS IN THE 6 CAPITALS

Do you think that the campaign for the reestablishment of direct elections for the president of the republic is a communist-inspired movement, as the indirect candidates Paulo Maluf and Mario Andreazza claim?

<b>CATEGORIAS 1)</b>	<b>SP %</b>	<b>RJ %</b>	<b>BH %</b>	<b>PA %</b>	<b>CO %</b>	<b>SAL %</b>	<b>2 MEDIA PONDE- RADA</b>
<b>3 Sim</b>	10,0	7,5	6,8	4,0	15,7	19,7	9,5
<b>4 Não</b>	77,0	81,2	74,0	80,0	70,2	61,7	77,0
<b>5 Não Sabe</b>	13,0	11,3	19,2	16,0	14,1	18,6	13,5
<b>6 NÚMERO DE ENTREVISTAS</b>	<b>(1000)</b>	<b>(600)</b>	<b>(400)</b>	<b>(300)</b>	<b>(400)</b>	<b>(300)</b>	<b>100,0 (3000)</b>

7 A pregação anticomunista de Maluf e Andreazza não convence 77% do total dos eleitores

Chart 4.

## Key:

1. Categories
2. Weighted average
3. Yes
4. No
5. Don't know
6. Number of interviews
7. The anticommunist preaching of Maluf and Andreazza has not convinced 77 percent of all the voters.

2909

CSO: 3342/80

## PRESIDENTIAL HOPEFULS PROPOSE CHANGES IN FOREIGN DEBT POLICY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Mar 84 p 2

[Article by Teresa Cardoso: "Candidates Differ but Want to Change Economy"]

[Text] Brasilia--The election of a successor to President Figueiredo is scheduled for 15 January 1985 but that does not prevent the candidates from taking action now to exorcise the specter of the foreign debt. Mario Andreazza, Paulo Maluf, Aureliano Chaves and Marco Maciel, the four competing for the job from the PDS [Social Democratic Party], do not intend to maintain the present economic policy, but only the vice president attacks it publicly.

Before being sworn in, if elected, Maluf intends to go to the various international financial centers to learn first hand the obligations pertaining to the debt. More cautious, Minister Mario Andreazza postpones discussion on payment-free periods and reduction of interest rates, which are fluctuating today, that he intends to obtain from international creditors, "until after the inauguration." Aureliano decided, in case he is elected, to negotiate the foundations for a revision of the timetable and conditions of the debt.

## Liquidity

Convinced that "Brazil is not in a condition to fulfill its international commitments" with the present economic policy, Aureliano Chaves decided that if he assumed the presidency "the first thing we have to arrange with the IMF is that no matter how respectable its manuals may be, we in Brazil have our own individuality." He seeks to require "respect" for national sovereignty "without which those international commitments will not be paid."

If elected president, Marco Maciel would consider the maintenance of imports at levels compatible with the renewal of growth.

"The Brazilian foreign debt becomes unpayable if we consider the per capita income of \$2,000 recorded last year. A debt which represents 40 percent of the GDP (Gross Domestic Product of \$250 billion) has no way of being liquidated," declares Deputy Paulo Maluf, maintaining that any enterprise in the world which owes 40 percent of its production is bankrupt. "Since a country does not go bankrupt, we have to admit that Brazil has lost its liquidity," he concluded.

## Maluf

Maluf praises the expedient of the government for resolving the short-term debts with private bankers but he believes that "the only lasting and permanent solution for our debt will be a government to government negotiation." If elected, Maluf would seek, still in 1985, to negotiate payment of the debt with longer terms and lower rates of interest with the governments of the United States, England, Germany, Japan and the Middle East.

The presidential hopeful wishes to obtain a 5-year period during which no interest or principal would be paid (the debt itself). He would also seek to delay the average period of financing to 15 years, when he would begin to amortize the principal. Since 77 percent of the debt is made up of loans with floating interest rates, Maluf would seek to negotiate fixed rates of interest of at least 6 percent per year.

"Only thus could our debt gain liquidity because Brazil would begin to grow again. The first requirement for the liquidity of the country is to begin to prosper again. Without economic growth there is no way of paying the debt," argues the deputy. Maluf seeks to encourage economic development on the basis of investments with immediate returns such as agriculture and agroindustry. Since he believes that "a country is strong only if its enterprises are solid," Maluf seeks to promote the idea of removing the state from business. "In order to grow, a country has to have an economy of risk. The state enterprises pressure the growth of the monetary budget and increase rates of interest for private borrowers," he maintains.

The goal most sought by the program of a Maluf Government would be to conciliate the growth of the GDP with the capability for paying the debt. To do that he plans impact programs such as the export of sugarcane alcohol to the United States. In his trip to Washington early this year, Maluf obtained information that the U.S. Government is studying a program for adding 3 percent alcohol to gasoline. Since Brazil is the only country in the world with the "knowhow" in using gasoline as a fuel, Maluf believes that it is an opportunity for expanding agriculture.

## Andreazza

To exorcise the specter of the foreign debt, the first mandate of the Andreazza program is renegotiation of the debt "which should involve a period of time sufficient to allow the growth of the economy, exports of goods and services and the effort to substitute for imports to make payment of the foreign debt viable," says the minister.

Andreazza guarantees that he will honor the commitments the government assumed with the creditors and will not break with the IMF either. "I do intend to subordinate the administration of our international financial commitments to the interest of development of the country, insuring the growth of the economy and the improvement of the well-being of the Brazilian people," he said. Andreazza believes that if the growth of the economy is not renewed, social tensions caused by unemployment "will place development and social security in danger."

Another idea of the minister is that of "conditioning the foreign debt to the actual capability for paying it." His chief of office, Luis Carlos Urquiza Nobrega, says that "it is of interest to the creditors to maintain Brazil as the 8th economy in the world, given that it is a matter of a country linked to the interests of the Western World." Urquiza also explained that the idea of Andreazza is that of adopting an exchange policy capable of stimulating exports without causing an inflationary impact.

Nearly 20 percent of the Brazilian foreign debt is linked to international financial bodies such as the IDB and the IBRD. Since those organizations are nonprofit agencies, there is a proposal under study in the electoral office of Andreazza for them to take over a percentage of the debts now owed to commercial banks. Thus, the Brazilian Government would manage to extend the payment period with lower rates of interest, believe the candidate's advisers.

#### Aureliano

The government to government negotiation of the debt is the principal theme of the Aureliano program. "Above anything else, leave the level of purely technical negotiations and enter into political negotiations," maintains the vice president. His idea, if elected, is that it is up to the president of the republic "to take upon himself the responsibility for managing negotiations" to prevent the downfall of the national economy.

Aureliano declares that his greatest concern is the renewal of growth. "In order to pay its foreign debt Brazil needs to produce. The debt is paid by producing, with products and not by shuffling papers. Whoever shuffles papers becomes entangled in them," he said. "We shall pay the debt with the fruit of our labor and preserving our sovereignty without any type of capitulation," says the candidate.

The plan by Aureliano, if elected president, foresees an increase in imports, which would allow the GDP to emerge from a negative growth and even reach modest levels. "Brazil cannot undertake its development from one hour to the next if the GDP is at a -8 percent level per year," says Aureliano, declaring that Brazil from now on will be increasingly pressured: "In the brutal game of the international scene, we either prepare to overcome that challenge in a perfect adjustment of the Brazilian society with its rulers or we shall be the victims of a terrible reality."

#### Maciel

Certain that the commitments assumed by Brazil with the IMF for a surplus of \$9 billion in the balance of trade will lower imports by more than 10 percent this year, Marco Maciel has no hopes that Brazil will emerge from that recessive condition by 1985. If he is elected, he intends to promote a broad renegotiation of the commitments assumed by the government, obtaining "new time periods and new rates of interest compatible with the condition of the country."

Nearly 20 campaign helpers are now studying a plan for the political negotiation of the debt. Among them are Paulo Rabello de Castro (director of the Getulio Vargas Foundation), Emilio Carazai (director of the National Bank of the North), Everardo Maciel (technician of the Secretariat of Planning), Josue Musalem (economist of the Joaquim Nabuco Foundation) and Valter Costa Porto (president of the Petronio Portella Foundation). The basic orientation of Marco Maciel is that of a negotiation, not only with the creditors involved, but also with international financial institutions and the governments of the principal creditor nations.

8908

CSO: 3342/78



## GALLUP POLL SHOWS FIGUEIREDO'S POPULARITY AT NEW LOW

Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Mar 84 p 3

[Text] Sao Paulo--At the beginning of this year the popularity of President Joao Figueiredo reached the lowest rating since his inauguration in 1979, minus 41 percentage points, according to a survey made by the Gallup Institute which interviewed 2,621 persons in 182 cities in 20 states between 10 and 15 February 1984.

In 1979, 53 percent of those interviewed by Gallup approved of the government of President Figueiredo, while 38 percent disapproved, which gave him a positive rating of 15 percentage points of popularity. Since then the institute has regularly been repeating that survey, confirming that the rate of popularity has been negative since 1980.

## Popularity

In February of this year only 26 percent of the persons surveyed continued to approve the Figueiredo Government, while 67 percent described the form of government as average (39 percent), bad (11 percent) and very bad (17 percent), which resulted in the lowest popularity rating of the five years of government: minus 41 percent.

The popularity of President Figueiredo has been negative since 1980--minus 19 percentage points. It showed a noticeable improvement in the following years: in 1981 it was minus 13 percentage points and went to minus 1 percentage point during the electoral period of 1982. Since then, according to surveys, it has declined markedly.

The Gallup Institute began the evaluation of presidential popularity in May 1979, 2 months after the inauguration of President Figueiredo. Since that time it has made 22 surveys, always using the same question, asking the person interviewed to describe the way in which the president is governing by selecting from among five choices: very well, well, average, badly and very badly.

The evaluation is made on a scale which runs from 100 negative points, obtaining the rate of approval (choices very well and well) or disapproval (choices average, badly and very badly) by the difference existing between the sum of positive and negative qualifications.

## Analysis

The analysis of the survey made by the Gallup Institute reveals that the popularity of President Figueiredo declined in the southern, southeastern and northeastern regions, with a slight improvement in the northern/center-west region, where it now rests at minus 14 percentage points, compared to minus 15 percentage points last year.

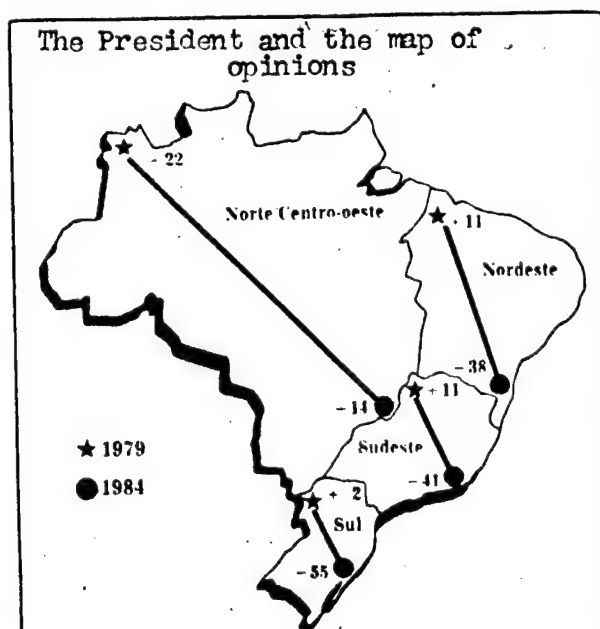
The greatest decline was in the southern region. From a negative 16 percentage points, the president's popularity fell to a minus 55 percentage points last year. In the southeast he is at a minus 41 percentage points, compared to the also minus 27 percentage points of last year. In the northeast, the survey now shows a minus 38 percentage points, compared to a minus 18 points last year.

### RATES OF DISAPPROVAL (May 1979-February 1984)

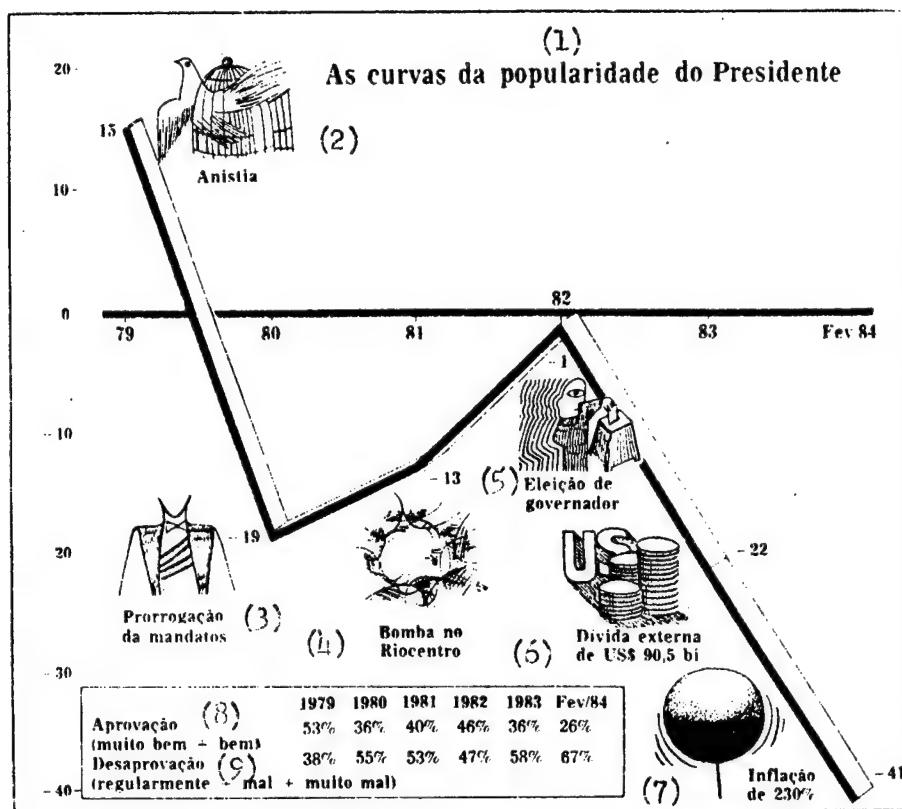
The president is governing...	1979 %	1980 %	1981 %	1982 %	1983 %	1984 (FEB) %
Very well	16	8	9	12	9	5
Well	37	28	31	34	27	21
Average	30	34	34	34	37	39
Badly	5	12	10	5	9	11
Very Badly	3	9	9	8	12	17
NO OPINION	9	9	7	7	6	7
TOTAL	100	100	100	100	100	100

Source: Gallup Institute

In the capitals and cities with more than 50,000 inhabitants, the decline in his popularity is marked: from 25 negative percentage points in 1983, it went to a 42 negative points this year, compared to 27 negative points last year.



Figueiredo improved only in the Center-West



Key:

1. Presidential popularity curves
2. Amnesty
3. Extension of terms in office
4. Bomb at Riocentro
5. Election of governors
6. Foreign debt of \$90.5 billion
7. Inflation of 230 percent
8. Approval (very well + well)
9. Disapproval (average + badly + very badly)

The greatest decline was recorded by Gallup in cities of between 5,000 and 10,000 inhabitants, where he went from 10 negative percentage points in 1983 to 48 negative percentage points this year.

#### The Decline According to Events

The Gallup Institute poll measures the rate of popularity, but does not attribute the causes which cause its rise or fall. Since the poll is repeated every 3 months, its figures can, however, be matched to some outstanding actions of the administration.

In his first year of government, President Joao Figueiredo obtained a positive rating of 15 points in popularity. The Gallup poll in October of that year showed, however, that his highest rate of popularity--21 positive points--was 2 months after the passage of the amnesty law.

As of 1980, the rate became negative, he finished the year with 19 negative points. That year, the lowest rating of 30 negative points was obtained in the November poll. Prior to that it had been decided to extend the terms in office of prefects and councilmen.

In 1981, the rating was 13 negative points, coinciding with the explosion of the bomb at Riocentro, incident which ended with the removal of Gen Golbery do Couto e Silva as chief of the Civilian Household, who was unsatisfied with the results of the investigation for establishing guilt.

The rating improved in 1982 and Figueiredo ended the year with one negative point. This was the year of elections, when the governors were elected by direct vote. In 1983, it declined to 22 negative points, when the foreign debt reached \$90.5 billion, declining even more at the beginning of this year because of an inflation rate of 230 percent.

8908

CS0: 3342/78

## FORECASTS OF DEEPENING RECESSION IN COMING MONTHS REFUTED

Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 Mar 84 pp 1, 10

[Article by Economics editor Aloysio Biondi]

[Text] In February, the amount collected by ICM [Merchandise Distribution Tax] exceeded the estimates, already revised upwards, which the state government had made by nearly 25 percent. The payrolls of Sao Paulo industry, after several months of decline, began rising (it should be noted) during the final quarter of last year. During the first 20 days of February, the automobile industry showed a rise of almost 20 percent in its sales. Despite all these data, business leaders insist upon stating that it all points in the direction of a worsening of the recession over the next few months, precluding any possibility of an improvement in the level of business.

Also, the day before yesterday, in this pessimistic mood, directors of the Sao Paulo State Federation of Industries [FIESP] cited three main factors which, in their view, attest to the "inevitability" of a worsening in the recession. The first item of information relates to the average wage per se paid by the Sao Paulo industrial firms which, according to FIESP, declined 12 percent in real terms during the last quarter of 1983, in comparison with 1982. Now if the worker's purchasing power is cut, the industrialists reason, it is obvious that his purchases will decline; and so the drop in demand will exacerbate the recession during the next few months. It is strange that FIESP board members should make use of that information with so much informality: They should be very well aware of the fact that the 12 percent decline in real wages was the average for the entire final quarter of 1983.

When the data are analyzed, month by month, the picture is completely different. The real average wage in Sao Paulo industry dropped nearly 16 percent in October, the decline decreased to 11 percent in November and, finally, the decline was limited to 9 percent in December (see chart). In other words, the "cut" in real wages was far greater, and there has been a recovery during the past few months. Hence, that information cannot be used to warrant forecasts of a "worsening" of the recession. On the contrary, in connection with wages there is also an even more important item of information, which FOLHA obtained yesterday from FIESP's economic advisory departments per se: the total wages paid by Sao Paulo industry during 1983. Here, the unrealistic

nature of the claims made by the FIESP board members becomes even more evident: During the final quarter of last year, the volume of wages paid was steadily climbing in real terms (in other words, discounting the inflation, gaged in this case by the cost of living index in Sao Paulo, obtained by FIPE). One cannot understand how, with the volume of wages increasing, a "worsening in the recession during the next few months" can be predicted.

#### More Fantasy

Another item of information invoked to warrant the pessimistic forecasts relates to the curbing of credit, caused by the "explosion" of the monetary policy's goals in January, which prompted a "tightening of credit" in the Bank of Brazil. In this instance as well, the analyses are unfounded: Since its beginning, the restriction was announced as temporary, and it was to be eased as soon as the government succeeded in keeping within its goals. Many leaders and economists doubted that that adjustment would occur, but yesterday it was announced that, in February, the government managed to offset part of the January "explosion" (there was a 2 percent reduction in the volume of money issued). Therefore, there will not be the "violent squeeze" on credit predicted in the analyses, wherein alarmism predominates regarding any and everything that has occurred in the Brazilian economy. In this respect as well, it should also be noted that the prophets of the "worsening" claimed that the IMF would not allow the revision of the states' budgets for this year, even after inflation had exceeded the government's predictions (which, in real terms, meant that they would have less money to spend in 1984, extending the tightening of the demand in the economy). Nevertheless, the government announced that revision yesterday.

#### So More Ammunition

The FIESP board members also spoke vaguely about a "20 percent decline" in the sale of durable consumer goods, apparently referring to household electrical appliances; because, in connection with automobiles (which are "still" durable consumer goods), during the first 20 days of February, as FOLHA reported on Monday, they showed an increase of nearly 20 percent in sales. Since automobile production has far more decisive multiplying effects on the economy than household electrical appliances do, it is difficult to understand how the "prophets" of the recession's worsening can have forgotten their existence.

The statement made by a businessman from the supermarket sector regarding the 10 percent drop in business sales appears as further confirmation of the fact that the analyses on the recession are attempting to ignore that, in the interior section of the country (where those establishments do not have the presence shown in the large centers), sales have given a better performance, according to statements from businessmen. At this point, it befits us to ask about the decline in the agricultural harvests and the "drop in prices of soybeans and corn," mentioned by a leader of the rural sector in support of the prophets of the recession: Have not those new tendencies thwarted the hope that the increase in the farmer's income might increase consumption in the interior, easing the recession? Once again, it is better to give the

floor to the data, ignoring guesses. With regard to the "decline" in harvests, on Tuesday, the Sao Paulo Secretariat of Agriculture called the press to announce new estimates on the state's harvest, and it reported that production would decline 10 percent in comparison with 1983. So, is the decline caused by the short summer confirmed? No. The secretariat "forgot" to compare its new estimate with the previous estimate made in January, after the famous "short summer." FOLHA made the comparison. Result: With the exception of soybeans, the new estimate shows increases in the Sao Paulo harvests, not declines. As for the reduction in prices, according to estimates from the Ministry of Agriculture, if the soybean producer sells his production for 18,000 cruzeiros per bag (and not for 21,000 cruzeiros, the price in effect before the reduction), he will still have a profit of nearly 480,000 cruzeiros per hectare, including interest, depreciation of machinery, etc. In other words, there is, indeed, an increase in income in the interior, as opposed to the worsening of the recession.

In the third survey of the Sao Paulo 1983-84 harvest released the day before yesterday, the Sao Paulo Secretariat of Agriculture and Supply notes a drop in production, compared with the previous harvest, amounting to 10 percent. Its data, however, have not yet been compared with those of the second survey made public on 20 January.

The chart shown below indicates the variation in four of the leading products.

(1) QUEBRAS FORAM MENORES (2) (Previsões da Secretaria de Agricultura e Abastecimento, em toneladas p/a safra paulista de 83/84)			
(3) PRODUTO	(4) EM 20/1	(5) EM 28/2	(6) VARIAÇÃO PERCENTUAL
milho (7) (8)	2.820	2.953	+ 4,72 %
feijão das águas	160	167	+ 4,38 %
arroz (9)	415	436	+ 5,06 %
soja (10)	899	861	- 4,23 %

Chart 1.

Key:

- Declines Were Smaller
- (Forecasts by the Secretariat of Agriculture and Supply, in tons, for the 1983-84 Sao Paulo harvest)
- Product
- On 20 January
- On 28 February
- Percentage of change
- Corn
- Water-grown beans
- Rice
- Soybeans

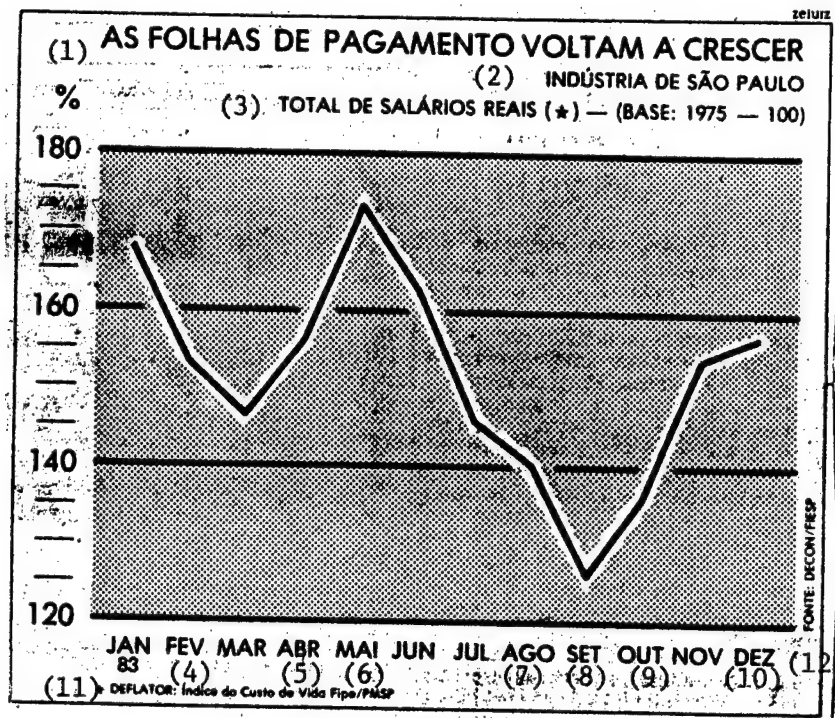
### Some Signs of Recovery

When we take the leading indicators on the status of Sao Paulo industry prepared by FIESP (and released by the entity the day before yesterday), one occurrence is confirmed in virtually all of them: The decline in the level of industrial activity in the State of Sao Paulo has been decreasing, at least since October of last year (the exceptions among the various indicators, as the chart shows, are the totals for real sales, the decline in which was marked during the final quarter, and the level of use of installed capacity, with a slight reduction during the same period).

Hence, the reduction in the total number of personnel employed in the secondary sector of the Sao Paulo economy was not only less but, based upon more recent data, the total even increased in some areas. The number of hours worked on production, with an 11.3 percent drop in October 1983 compared with the same month in 1982, fell 9 percent in December. The decline in the total real wages (which are the companies' payrolls) dropped from 23.3 percent in October to 16.5 percent in December (both in comparison with the same month in 1982).

In the specific instances of the Sao Paulo industry payrolls, which were virtually in an uninterrupted decline from November 1982 until September of last year (see the graph), in October they rose again in real terms, based upon data from FIESP's Economy Department.





Graph:

Key:

1. Payrolls Are Increasing Again
2. Sao Paulo industry
3. Total real wages
4. Feb
5. Apr
6. May
7. Aug
8. Sep
9. Oct
10. Dec
11. Deflator: FIPE/PMSP cost of living index
12. Source: DECON/FIESP

QUEDAS MENORES NA ATIVIDADE INDUSTRIAL — 1983/1982			
SÃO PAULO			
(2) INDICADORES	VARIACÕES SOBRE O MESMO MÊS		
	(3) DO ANO ANTERIOR (EM %)		
	OUT (4)	NOV	DEZ (5)
Total de pessoal ocupado (6)	9,2	- 8,9	- 7,9
Horas trabalhadas na produção (7)	- 11,3	- 10,8	- 9,0
Cons. energia elétrica na produção (8)	4,4	6,4	10,5
Total de salários reais (1) (9)	- 23,3	- 19,2	- 16,5
Salário médio real (1) (10)	- 15,5	- 11,3	- 9,4
Total de vendas reais (2) (11)	1,4	- 3,8	- 7,5
Utilização da capacidade instalada (3) (12)	73,5	73,4	73,0
Nível de atividades (INA) (13)	- 3,2	- 3,1	- 2,4
(14) Deflator: Índice da Custo de Vida Fipec/PMSP (14)			
(15) Deflator: Índice de Preços por Atacado da Indústria de Transformação (FGV, n.º 28 da Revista Conjuntura Econômica) (15)			
(16) Nível médio correspondente a 1983 (16)			
(17) Fonte: Decon/Fiesp (17)			

Chart 2.

Key:

1. Less Decline in Industrial Activity - 1983/1982, Sao Paulo
2. Indicators
3. Variations from the same month of the previous year (in %)
4. Oct
5. Dec
6. Total personnel employed
7. Hours worked on production
8. Electric power conservation in production
9. Total real wages
10. Average real wage
11. Total real sales
12. Use of installed capacity
13. Level of activities (INA)
14. Deflator: FIPE/PMSP cost of living index
15. Deflator: Wholesale price index of the manufacturing industry (FGV, No 28 of the magazine CONJUNTURA ECONOMICA)
16. Average level for 1983
17. Source: DECON/FIESP

2909

CSO: 3342/80

## PASTORE ON FEBRUARY TRADE SURPLUS, IMF TALKS, INFLATION

Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Mar 84 p 13

[Interview with Central Bank President Celso Pastore in Brasilia by Fernando Martins and Jose Negreiros; date not given]

[Text] Brasilia--The surplus in the balance of trade should exceed \$700 million in February, month in which the country exported \$1.8 billion in merchandise. Optimistic at such a result, the president of the Central Bank, Afonso Celso Pastore, foresees that the deficit in current accounts (the sum of all trade and financial operations abroad) will be limited to \$5 billion, a billion dollars less than the initial forecast.

After examining the financial statistics for last year and the preliminary figures for the first 2 months of 1984, he felt more confident, and to show that he is betting on the program of foreign adjustments, he exorcised the most recent ghosts of economic policy: elimination of monetary corrections, deindexing, new maxidevaluations of the cruzeiro, a looser monetary policy, domestic moratorium, and so forth.

Exasperatedly, Pastore said: "That is an idiot syndrome of something without a basis," during a long interview on the eve of completing 6 months as president of the Central Bank and after the difficult negotiation of a jumbo loan of \$6.5 billion concluded 24 February. He revealed, among other things, that the final amount of the jumbo loan slightly exceeded expectations and that the state deficit has already become a surplus in the 2-month period.

## Inflation

Pastore acknowledges that something is still not going satisfactorily: the rate of inflation. To overcome it, he warns that the government will play rough, primarily making use of a credit policy, whose strictness, he warns, is irremovable, at least until expectations are dissipated and prices fall.

"The government is not going to adapt the monetary policy to the inflation (high) we have there. What the government wants is that the present inflation adapt to the monetary policy. We shall not back off from that one millimeter," he said defiantly.

[Question] Did renegotiations with the IMF, the banks, the Paris Club, and so forth finally get straightened out?

[Answer] There may persist doubts as to whether in fact we took enough resources to last us through 1984. But what we have announced, we have accomplished and we are going to accomplish. I believed that on 15 March we are going to receive the first IMF payment of \$390 million. On the 16th, 19th and 23rd we shall receive the \$3 billion from the banks (almost half of the jumbo loan), and at the end of the month we shall have the second payment of \$875 million from the Fund. Therefore, on the 29th the deficits in trade, interest and even profits, dividends and repatriation of direct investment capital, shall have ended. The restoration of normalcy in exchange will be complete.

[Question] Is there any danger of the return of centralization?

[Answer] We know now that the deficit in current accounts in 1983 was smaller by \$1 billion than the initial forecast of \$7.6 billion. That is explained by the fact that the trade surplus was higher than the forecast by \$300 million, the amount of interest was less than planned in terms of the trends of the LIBOR, and finally, the amount for services--freight, insurance and so forth--also produced economic yields. That fact had to reflect our cash position. Let us look at some evidence: the liquid assets situation has been improving significantly since last November in terms of all the factors mentioned. Therefore, if we had received the jumbo loan at the end of last year we would already have a higher reserve position. That is so true that the payments for imports are now being made with one week's delay at the most. It is easy to see why when centralized rates of exchange were implanted there were many criticisms because of the fear that delays in paying would conclude by harming imports. That complaint disappeared.

[Question] Despite the expectation of a good trade surplus this month, is it not true that exports of manufactured products are not doing well?

[Answer] They are doing well because the 2-month period has a large concentration of manufactured items. And there is the fact that seasonally the trade surplus should be smaller because exports do not yet include basic products--soy beans come in now--but in February it should be more than \$700 million. Remember that in February of last year, the month of the maxidevaluation, it was \$300 million. In addition, exports are going to break a record: \$1.8 billion before the harvest. Therefore, the goal of a \$9 billion surplus by the end of the year is feasible, despite protectionism. We have to fight for larger quotas (in steel, for example). We are going to finish the 2-month period with a surplus of 1.3 billion cruzeiros, which multiplied by six would give us almost 8 billion cruzeiros for the year, without regard for seasonal adjustments. Now, the government's interest is to indicate to the financial market and companies who want to make direct investments that we no longer have any exchange restrictions and that we are never going to return to the market. Our only concern from now on is with the domestic performance.

The president of the Central Bank has a special interest in speaking about the picture abroad, in which he discerns improvements which he believes will be capable of bringing benefits to the domestic situation after the suspension of centralized exchange. He explains that "the aim of our economic policy is to arrive at a deficit in current accounts of \$5 billion this year.

"We can end the year with an amount of reserves greater than the program established previously, and without any visible cash problems," he says.

Pastore does not confirm this but the initial expectation on reserves is \$2 billion.

[Question] When will discussion on the financing of the balance of payments for 1985 begin?

[Answer] We are only going to discuss 1985 after we have confirmed our position of favorable reserves and at the time when we manage to achieve a suitable rate of inflation here domestically, when we have given the entire world a clear demonstration that we have full control of our economy. We want to discuss 1985 with our homework done, including so that we may have the tranquility for discussions with the necessary time and commitment. It will be much more comfortable for Brazil, for the IMF and for the international system. The proper thing is not to be in a hurry and to have the tranquility for discussing with the financial community those mutually acceptable conditions which will allow us to give the final adjustment to our economy, creating the space for a return to growth, a return to a policy aimed at the allocation of resources, improvement of productive efficiency and the generation of jobs.

To do this, Pastora says that all the strategy is based on the success of the fight against inflation, which he describes as the main step to be reached. He says that inflation is "worrisome", it being the focus of attention of domestic concerns and its resolution is more complex because the rise in prices has shown a noticeable resistance for months because the inheritance of the fluctuations between rates of 11 and 13 percent comes from the second half of 1983.

"The month of January was foreseeable, with a higher inflation, although within the pattern," he says, in February, however, "the government forecast was wrong. A rate of 12.3 percent was not considered by the panel, we expected a lower inflation than the one which appeared."

Convinced that the only way to subdue the high rates of inflation resides in the determination with which the government maintains its credit policy, he makes a sort of warning to the market place.

"There are things on which we are not going to bend. For example, in monetary and fiscal controls the government adopted all the measures it needed to increase collections, reduce the deficit and eliminate the pressure of demand the government exercised, creating inflation, since in the financial system it pushed the private sector out of the economic space. We should have arrived at the end of 1983 with an operation deficit of 2.7 percent of the Gross Domestic Product but we arrived with a small deficit of 2.5 percent.

[Question] Is it true that a surplus instead of a deficit has already been recorded at the beginning of this year?

[Answer] In 1984 we are shooting for a small surplus of 0.3 percent of the GDP. I do not have the final figures (for the 2-month period), which will be announced later by the Ministry of Planning, but I can say that we are strictly within the program.

[Question] Could the monetary policy change now that inflation has taken off again?

[Answer] That doubt has arisen that since inflation was greater, we are going to revise the monetary budget. They began to think of a 70-percent rate. What must be made clear is that the government is in no way going to adapt the monetary policy to inflation. The government wants inflation to adapt to the monetary policy. We are going to remain inflexible on 50 percent of the means of payment. The size of the explosion in January--I do not know how many decibels are required to describe an explosion--already meant a contraction in February. We had planned to expand the monetary base by 2 percent in the quarter and it grew to 5 percent in the first month alone. February figures say that we are back on the track and in March the situation is perfectly manageable, feasible. The important thing is that there is not going to be any credit to approve expectations which are out of line with the trends of the costs of the economy. We are going to maintain a monetary policy at 50 percent. We hope that inflation will quickly move toward that.

[Question] Besides that goal, would the government be willing in fact to promote a radical deindexing of the economy, reaching the point of eliminating monetary correction little by little?

[Answer] That upsets the financial market very much, there being inferences that the government would put an end to monetary correction on 1 March. That was the rumor circulating, together with another one that we would decree a domestic moratorium. That has no theoretical or empirical basis, nor has it been decided by the government. The authorities who made statements on the subject--I refer to Ministers Galvaes and Delfim--only made a confirmation of something which today is a fact accepted by all: In a fully indexed economy such as that of Brazil, the resistance by inflation to a downward trend is much greater than in an economy which is not fully indexed. That is all. It has an inertia resistant to a decline. The attempt at deindexing, elimination, purging, contingency corrections, in short any reducer of monetary correction applied in the past had more defects than virtues. When Minister Simonsen applied a reducer of 80 percent of correction and 20 percent of a 15 percent inflation, the success obtained from that type of strategy was very limited. In 1980, when the correction was established at 50 percent, it was expected that inflation would decline that much but it did not, primarily because the money policy was more expansionist than it was in the previous year and when purges were introduced, inflation also rose. In any of the cases, the economists always find an explanation especially constructed to show why inflation did not abate. Now, the specific fact is that in fact if there is not a complete correction, the returns on financial assets fall, the interest on passbook savings falls, the returns on bank certificates fall. All this brings

the exacerbation of consumption instead of savings; it affects the establishment of interest rates for the final borrowers. My suspicion is it would bring an increase in the rate of inflation and not a decline, based on historical evidence. It has been 4 months since we established monetary and exchange corrections identical to the price index, without any correction for contingencies, even when there was a contingency such as the price of oranges last month. There was a suspicion in the market that the fact that the rate of inflation was 11.5 percent or 12.3 percent in February, would wrest the courage from the government to establish a monetary and exchange correction at the rate of inflation. That courage was not lacking because there is a determination to maintain such a policy. And there is another thing on which I am determined: Not to retreat one millimeter to make the monetary policy coincide quarter after quarter with the 50 percent during the year. We are neither going to adapt the fiscal policy nor the monetary policy because we have a setback of 1 or 2 months in the rate of inflation. What we want is for society and businessmen to remain extremely aware that we are not going to create a monetary mass or fiscal spending to generate an inflation higher than that which is consistent with a monetary base of 50 percent.

[Question] Do you believe that the pessimistic expectations with respect to an external arrangement were overcome?

[Answer] Strange things happen in that process, which it would be well for people to remember, although the creation of expectations is something about which economists do not know very much and we have no assurances about them. I want to remind you about what happened with a very recent expectation on a new maxidevaluation of the cruzeiro: It was a rooted, promoted story. I read several opinions by competent economists of this country, saying and writing articles on it in large newspapers: the maxidevaluation was inevitable. That expectation was fueled by several doubts which existed.

There was the doubt that Brazil would obtain the jumbo loan; first because the regional North American bankers did not want to participate, but they did participate; second, because the Middle East was not going to participate, but they did; third, because the Japanese were not going to participate, but they did; fourth, because the Spaniards had a problem with the peseta, and they did not; there was a problem with the lira; there was none and the Italians participated; so did the Germans and Swiss. The Germans even did so when there were negative statements attributed to Gut of the Deutchbank. And he himself sent us a note containing the text of his statement, asking that it be disseminated, saying that he did not say that, and the jumbo loan concluded by being arranged at a sum above expectations. We received more than \$6.5 billion and we were left in a comfortable position. The surplus was small but it is a symbolically important surplus.

The exchange rate is set to provide competitiveness to exports. The maxi-devaluation died on the vine, it became obvious when the parallel rate began to fall, only inflated by that tumor about internal moratorium. This would have meant that people would temporarily cease investing in cruzeiros and turn to the dollar, since that internal moratorium is nothing more than an idiot syndrome of something with no basis in fact. The government never thought of repudiating



the debt. I said, and I say, that the government is not going to do that because it has its life ahead of it, the country has its life ahead of it. It is a type of discussion that does not exist. It is necessary to become aware that in fact the overall interest of the country, not that of one person or another, is that inflation fall. What we need more than doubts, criticisms and justifications for things being right or wrong is for society to firmly believe that inflation has to fall. That alone is for the benefit of all.

[Question] What was the rate of inflation arranged with the IMF for 1984?

[Answer] The basic program we set for ourselves in September with the addition of November is untouchable. The negotiation was not on goals. The relevant goals are the following: an operational/fiscal surplus of 0.3 percent; monetary policy in the range of 50 percent expansion from quarter to quarter. We quantified that by using the parameters the Funds uses. That results in an inflation which has to decline to the maximum possible throughout 1984. We have followed one guideline: Never make a specific objective out of inflation for a month, quarter or for the year, but rather bring it down substantially to give a clear indication that we are on the right path, so that there will remain no doubts on that.

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CSO: 3342/78



## COURT GRANTS AMNESTY TO ELN MEMBERS

Bogota EL TIEMPO in Spanish 11 Mar 84 p 7-B

[Text] The Superior Court of Bogota upheld the application of the amnesty law in favor of a group of Army of National Liberation [ELN] members who have been implicated in the investigation into the death of General Ramon Arturo Rincon Quinones, but it has granted them this amnesty only for the charge of rebellion.

Those benefitting from the measure are Milton Edgardo Orduz Romero, Daniel Navarro Gomez, Francisco Jose Trujillo Trujillo, Alfonso Rodriguez, Belisario Nieto, Marco A. Sierra Franco, Jaime Sanchez Pacheco, Rafael Orozco Pinzon, Miguel Gonzalez and Cesar Mosquera.

The matter had been brought before the court for consultation and the court, in its decision, indicates that it is not granting amnesty to the aforementioned individuals for the crime of homicide committed against General Rincon Quinones and has ordered a halt to the proceedings for the crime of rebellion.

The court indicated at the same time that amnesty is not being granted to Colonel Benjamin Medina Angarita nor to Ramiro Morantes, the general's driver, for their action in connection with the events under investigation, since such a move would be contrary to law.

This position would indicate that both Colonel Medina Angarita and the driver Morantes are exonerated of all responsibility. [sentence as published]

The ELN claimed responsibility for the Rincon crime, which occurred in Bogota in 1975, and one of its members confirmed this openly in an interview which was granted to the magazine CROMOS, which was published in the 3,372d edition of 31 August 1982.

In this interview, the ELN member stated that both Rincon Quinones and a major, surnamed Romero, were assassinated in reprisal for the blows which they had dealt the guerrillas when the two officers were in the 5th Brigade with its headquarters in Bucaramanga. The former served as the commander and the latter as the chief of B-2.

Medina Angarita is one of the few persons who was first a chance witness of the crime, since he was traveling behind the car in which Rincon Quinones was riding and who, through a trick played by the attorneys, ended up being the accused.

## FURTHER DETAILS ON CASTRO NEWSWEEK INTERVIEW

Havana BOHEMIA in Spanish No 6, 10 Feb 84 pp 46-57

[BOHEMIA version of 9 Jan 84 NEWSWEEK interview with Fidel Castro: "Fidel Answers Patricia Sethi"; date and place not given]

[Text] Question: On the eve of the 25th anniversary of the Cuban Revolution, what are the greatest achievements of the revolution? If you, as leader of that revolution, had the opportunity to do things over, would you change anything?

Answer: The Cuban people--and you can verify this if you talk to any of our citizens--have acquired a sense of national independence that they never had before. They enjoy a personal dignity that was always denied to them before. For the first time, the Cubans are the masters of their own country. Nothing or no one threatens them within their country. No one can belittle them for being black or discriminate against them for being women. Their social status is not determined by their economic income. In order to obtain a bed in the hospital when they are sick or obtain a job, the men no longer have to humble themselves or the women prostitute themselves as happened in the past. Starting with that level of dignity that makes us all equal, the rest follows--that is, the socioeconomic transformations that characterize the revolution.

Our economy has grown at an average annual rate of approximately 4.7 percent over 25 years, one of the highest on the continent in spite of the U.S. blockade. We are the second highest country in per-capita food consumption in Latin America, only ours is better distributed than in any other country in this hemisphere.

We rank first among the Third World countries and over many industrialized countries in health, education, culture and sports. You would be surprised if I told you that there are more illiterates and semiliterates in the United States in relation to total population than in Cuba. You would not be as surprised, perhaps, if I told you that there are drugs, gambling, prostitution, unemployment, extreme poverty, racial discrimination and sexual exploitation of children in the United States. They form a substantial part of U.S. capitalist society. Those problems do not exist in Cuba. Acts of blood and violence occur at a rate at least 10 times higher in the United States than in Cuba. I believe we have advanced in comparison to North America since the triumph of the Cuban Revolution.

If we had the opportunity to do things over, there are things we would do differently. For example, we would not begin our revolutionary struggle with the attack on Moncada but start directly with the guerrilla war in the mountains. However, the strategic line we have followed in the revolutionary process and the principles that support it would not change.

Question: One often reads reports that your revolution is on the verge of collapse and that it is only a matter of time before your leadership ends. However, you and your revolution continue to be a vital force. What is the secret of this success?

Answer: The defeat and collapse of the Cuban Revolution have been predicted continually throughout these 25 years. I don't think we will be rid of that prediction in the coming years since it is part of the policy of aggression and isolation against Cuba.

Those predictions continue to be spread artificially, thanks to the influence Washington holds not only over the U.S. mass media but over entire networks of international propaganda. Nevertheless, the Cuban Revolution continues to demonstrate its vitality even though besieged militarily, economically and politically and by propaganda. This is due to its authenticity and the fact that, like any real revolution, its roots are deep within the people. If the Cuban people were not deeply identified with their revolution, we could have been crushed since the powerful United States has used every possible form of aggression against the Cuban Revolution. It is our people who support it and shape it. It is not a matter of blind, uncritical adherence. On the contrary, if you go out in the street and listen to the Cubans without their knowing that you are not Cuban, you will find that they are very explicit about everything that seems bad to them. We know this not only because of our responsibility as leaders but because the citizens make their complaints reach us through many means of democratic communication and frequently by direct contact between the leaders and the people. We are aware of how much we still have to do. However, we advance and we improve year after year in every sector. At the beginning, we had nothing but ideas; now we also have experience.

Question: Would relations between Cuba and the United States ever move toward a more normal plane? What must happen first for that to become possible? Some observers insist that as long as Fidel is there, no change will be possible. You are too antiestablishment, too revolutionary to be acceptable. What do you think about that?

Answer: Current relations between Cuba and the United States are so irrational, so absurd, that I am forced to have a certain "historical" confidence that they must eventually move toward a more normal plane. For this to be possible, the first thing that must happen is for a U.S. administration to realize that the premises that led the U.S. Government to try to stop the Cuban people in 1960 from taking the sociopolitical road that seemed most suitable to them are not justified in political terms, much less in terms of international law.

The time has come for the U.S. rulers to understand that the Latin America they considered for many decades their "natural backyard" where they deposed and

imposed governments and gave orders and where U.S. ambassadors made decisions that should have been made by the president of the republic no longer exists. It is also time for it to be understood in the United States that socialism is a solid reality in a considerable portion of the world. It cannot be eliminated by war or by economic or military pressure. In the years to come, very possibly before the year 2000, Cuba will not be the only Latin American country to adopt socialism as a system of government. We are not talking about the misnamed "Cuban model" which we do not plan to universalize in any way. There will also be nonsocialist governments determined to prevent economic control by the multinationals. The United States will have to adapt to all this, like it or not. It is a fact of history. This has nothing to do with my presence at the head of the Cuban Government since it would have happened, sooner or later, even if I had never existed. I don't deny that I am, as you say, very "antiestablishment" and perhaps "too revolutionary" to some. However, all my rejection of the U.S. imperialist structure--a rejection that tens of millions of people in Latin America share today--poses very little threat to the stability of the U.S. capitalist system. I would like that capitalist system to disappear and be replaced by a more rational and humane system with which Latin America could get along better but I can assure the people of the United States that I do not have any intention of inciting a socialist revolution in the United States. I still see that as remote and, when it comes, it must be led by men from the U.S. working class and people.

Question: Are there any areas in which you and the United States can work together constructively even though an ideological or philosophical reconciliation might be impossible? Would all forms of dialogue with the Reagan administration be totally out of the question?

Answer: You are right when you assume that ideological or philosophical reconciliation between the current U.S. administration and us--and even between possible alternatives to that administration in the coming years and us--is out of the question. However, the fact that we in Cuba continue to be socialist and the United States continues to be the most important center of world capitalism does not mean that there are not major areas in which both countries and governments could work together constructively. If the Reagan administration gave up its ideological obsession, heeded the appeal of the Contadora Group and decided to seriously support a negotiated solution to the problems that affect Central America today, Cuba and the United States could possibly contribute with other countries in the region to lay the bases for the peace and democratic structural change that Central America needs.

We have never refused dialogue with the Reagan administration. As you know, there were talks between Secretary of State Haig and Vice President Carlos Rafael Rodriguez and later General Walters came to Havana and I myself talked at length with him. But we cannot say that a dialogue was established; it was rather a confrontation of viewpoints. As long as Mr Reagan continues to think that what is happening in Central America is the result of a malevolent arrangement between the USSR and Cuba and does not recognize that these social upheavals started in Central America 50 years ago--when the Russian Revolution was fighting to survive and the Cuban Revolution did not exist--we do not have any hope for dialogue.

Question: President Reagan constantly argues that your intention is to export revolution and communism throughout the hemisphere.

Answer: I don't think revolution is an exportable product. I must confess that I agree that the example of the Cuban Revolution has had a major influence on the revolutionary movements in Latin America during the past 20 years. It demonstrated that there could be an in-depth and genuine revolution even on a small island subjugated and neocolonized by the United States. I do not hide the fact that revolutionary Cuba has offered its active solidarity to other Latin American revolutionaries in countries like Somoza's Nicaragua where every democratic action and every type of protest other than armed struggle was ruled out by brutal terror. It is well known that Cuba was not alone in aiding the struggle against Somoza; other governments which are not mentioned also helped. Neither do I hide the fact that when a large group of Latin American countries, acting with the inspiration and guidance of Washington, not only tried to isolate Cuba politically but economically blockaded it and aided counterrevolutionary actions (sabotage, armed infiltrations, assassination attempts, etc.) to try to overthrow the revolution, we responded in legitimate self-defense by helping all those who, at that time, wanted to fight against those governments. We were not the ones who began the subversion; they were. In the same way, I can categorically state--and I defy any attempt to demonstrate otherwise--that every Latin American government that has maintained proper and respectful relations with Cuba has received, in turn, Cuba's respect. That was true for Mexico, the only Latin American country that refused to apply Washington's diktat in 1964, and has been true since then for those other governments in Latin America and the Caribbean that reestablished normal, respectful relations with us.

The reality is that we cannot export revolution nor can the United States prevent it.

Reagan cunningly uses this argument to terrify the U.S. people, fanning a primitive anticommunism from the McCarthy era. This is beginning to prevail again now in a considerable sector of the U.S. people. These arguments permit Reagan to carry out a policy of open intervention like the brutal intervention in Grenada, a small island of 100,000 inhabitants.

Question: Mr President, what exactly was happening in Grenada? The Reagan administration recently divulged what it calls a "warm bag of evidence" to suggest that: a) Cuba was training and organizing armed forces and security forces in Grenada; b) constructing a communications base linked to the Soviet Sputnik satellite system; c) constructing a large airport capable of receiving Soviet transport planes provided to the Cuban armed forces; d) storing large quantities of Soviet arms and equipment for Cuban use; and e) preparing an air defense system designed to protect Grenada precisely against the operation the United States carried out there last October. Let us take these charges one by one.

Answer: All this is, of course, ludicrous. For example, "the armed forces" of Grenada that Bishop tried to organize are mentioned. This gives the impression that it would be a huge army capable of invading all the western Caribbean. However, the facts are self-evident.

The events in Grenada demonstrated that the forces being organized fully corresponded to the dimensions of a small island which counterrevolutionaries--sympathizers of the eccentric and reactionary Gairy and others--protected by the CIA constantly threatened to invade from Miami. The United States had also threatened and insinuated that it could use other Caribbean countries for an invasion.

Washington had to hastily withdraw the "exhibit" it prepared of the "armaments" that had been seized in Grenada which it had said at the beginning demonstrated Bishop's intention to take over the Caribbean. What visitors saw was a small number of modern weapons which Grenada had full right to as a sovereign country and many useless ancient weapons.

As to the airport, it was proven after the invasion that the people of Grenada wanted to build it long before the Bishop government. It was also proven that the technical projects were under the direction of a well-known British company whose representatives clearly confirmed that the airport had no element that made it a military installation. It was a civilian installation intended for the modern airplanes that fly to the Caribbean countries today. Several of the Caribbean countries have larger airports than the one that was being built in Grenada.

As to what was said about Bishop storing "Soviet arms for Cuban use," we have our weapons here to defend our country against a possible invasion. It would be absurd to deposit 3,000 or 4,000 automatic weapons in Grenada for us.

Last, it is true that we planned to help the people of Grenada establish a communications base but everyone knows that there are many similar communications bases in the Caribbean and Latin America. This is a requirement of contemporary communications and we all aspire to have them. The historic and undeniable truth is that Reagan and his collaborators made 19 false statements about events in Grenada. These have been denounced by Cuba and the U.S. Government has been unable to prove them. On the other hand, none of Cuba's statements have been disproven.

The press was completely manipulated. A select group of journalists was sent there 72 hours after the invasion. The press was furious at first, but later changed its attitude and was carried away by the wave of chauvinism. The politicians also changed their attitude. In that way, a major crime could be committed with the naive complicity of the U.S. people. Reagan could present a victory to his people. It is disgraceful; it is offensive. The magnitude of the crime committed in Grenada is inversely proportional to the size of the island. Bishop was our friend; we respected him. He was a real revolutionary; he was a man of his people. Our position toward the new government was well known. Relations between us and Coard's group were very bad. It was very likely that we would have withdrawn from the country once construction of the airport was finished. We could not cooperate with that group. We might have left the medical personnel in the country for humanitarian reasons but we would have reduced our cooperation. Our assessment of the situation was that Coard's group would not be able to hold its ground after assassinating Bishop. The revolution had committed suicide. However, this did not justify the

intervention. The U.S. citizens were not in any danger. The extremist group visited them and gave them guarantees. We knew they were not in danger; we even reported this to the U.S. Government 72 hours before the invasion. The entire theory Reagan used to try to justify the invasion is false; it is a big lie from beginning to end. It was a demonstration of strength. It was a cheap and opportunistic political operation to exploit the tragedy that occurred in that country. There were also other factors. Reagan recalled the fate of the hostages in Iran and how the U.S. people were humiliated by that experience. He recalled that a week before 230 U.S. Marines had died in Lebanon. He also recalled the defeat suffered in Vietnam. Reagan exploited all this in order to present the invasion of Grenada to the U.S. people as a great victory. That is dangerous. That is an irresponsible policy that can lead to war and to new ventures in El Salvador, Nicaragua and Cuba.

Question: Given the close ties between you and Bishop, how is it possible that you did not have any idea of the turmoil in his party?

Answer: Yes, it is hard to understand how, with all the personnel we had there at the embassy, we did not know the division was occurring. That is the biggest criticism we have of our political personnel, our diplomatic personnel and our military cooperation personnel.

They did not have any idea what was happening. Even though Bishop visited Cuba while this turmoil was going on, he did not say a word to me about it. In a certain way, this makes me happy because it demonstrated the respect he felt for his country and his people. The only thing he did at that time was criticize himself, stating that he felt he had not given full attention to working with the masses.

Now, of course, we know what happened. There was a deep ideological conflict between Bishop and Coard. Coard presented himself as the theoretician, the intellectual intoxicated by political theory. However, I am convinced deep down that there was great personal ambition. There was a majority decision that Bishop and Coard would share leadership. Bishop would continue being prime minister and Coard would assume party leadership. Bishop did not attend any party meetings after that but, even then, he never insinuated that there was a division. I explain this in two ways. At that time, he had an absolute minority in the party and had a defeatist attitude. Therefore, he did not want to talk about it because of this deep pessimism. Or he underestimated the seriousness of the situation and thought he could solve the problem. It was only the day before his arrest that he visited our embassy and finally explained that there was serious division. He said he was afraid they might assassinate him. It was a short conversation; he said that he was only informing us.

Question: Wasn't there anything you could have done to save Bishop's life?

Answer: When they arrested Bishop, I sent a message that the situation could create a serious problem in international public opinion and would weaken the revolution in Grenada. I asked those people to be understanding and generous. I was afraid that one of the radical elements would try to solve the problem



with violence. I made a plea but only when the real U.S. danger became obvious did they contact us. We explained our position that we would only defend our work areas if we were attacked. There was absolutely no coordination with them in our defense plans.

We could only appeal for Bishop's life and the revolution. We received reports that Bishop's friends were leading and organizing a popular response. However, this was called off when they thought it was possible to achieve a solution.

We could not intervene in a situation where Bishop was in the minority in his own party. If the conspirators are in the minority, there is a chance for more action. What happened in Grenada, though, was that Coard's group was in the majority against Bishop. This was apparently clear and even legal, according to democratic norms. It is necessary to accept such a situation even if one realizes it is a mistake or a serious thing. We couldn't do more than we did. We show great respect for the international [as published] affairs of other parties. We only give them our opinion when they ask us for it. That is the secret of our relations with all revolutionary organizations, with El Salvador and Nicaragua. We know that the people are sensitive about their independence, their autonomy and their sovereignty. We cannot tell revolutionary governments what is good and what is bad; that is impossible. These relationships are delicate.

We greatly respect the internal affairs of parties and organizations.

Question: One of the criticisms that Third World leaders make of the United States is that it tends to see things in black and white: if you are not with us, then you are against us. That does not leave room for nationalism, an inherent native nationalism of one country in particular.

Answer: The Reagan administration's attitude stems from its concept of the world: its hegemonist ideas, its self-concept as policeman of the world, its inability to understand changes that must take place. It not only does not understand nationalism and the people's feelings about independence, but it does not understand the economic problems of the world, the economic catastrophe faced by the Third World or the problems of the Third World. It dreams of a world that adapts to its mandate and its orders. That is why Reagan considers anyone who is independent a puppet of the USSR. We have a concept in Cuba of internationalism and cooperation among the peoples. That is why we have so many of our doctors, teachers and workers helping other developing nations. At the same time, we understand independence. An imperialist government, though, cannot conceive of what independence and nationalism mean. The United States believes it owns Latin America. It does not understand what nationalism is nor is it sensitive to the problems of Latin America, the need for social changes, the Latin American debt of \$300 billion, the fact that military dictatorships have failed, the fact that bourgeois democracy has failed and that people die of starvation in Latin America and in the Third World. The situation will eventually have to change. U.S. policy will have to understand the Latin American and world situation. It will have to draw up a policy of respect and cooperation among all countries, among all social systems, and



accept a system of peaceful coexistence. This administration does not understand anything. It cannot understand the economic, social or political problems; it cannot understand nationalism or internationalism. It is not capable of understanding anything. It has a hegemonist and imperialist--openly and fully imperialist--mentality. The way it treats its allies, the way it treats the United Kingdom or the FRG, demonstrates this. It treats them as subjects because it is used to treating others as subjects. They are millionaires, they have the money, they can impose themselves on the masses. They simply cannot conceive of any other type of system, a system of independence and mutual respect which exists between us and the socialist countries and other Third World nations.

Question: Under what conditions would you be willing to withdraw your advisers from Central America?

Answer: If there is an agreement or solution in Central America--whether through the Contadora process or through discussions among the different countries involved--and the Nicaraguans decide to find a solution on that basis and that solution includes the complete withdrawal of advisers, we will be in total agreement with this measure. We will fully support that decision by Nicaragua. We would not be an obstacle. However, the Nicaraguans must make that decision because we would not be faithful to our association with Nicaragua if we made a unilateral decision. We cannot unilaterally withdraw our advisers from Nicaragua. That is Nicaragua's decision and we will respect and support any decision it makes. Reagan will not accept it, however. The Nicaraguans have revealed their willingness to freeze arms purchases and they are willing to withdraw all their advisers if the United States withdraws its advisers from Central America and if the arms supply to Central America ends. The U.S. administration does not accept this because it is not interested in that policy. It is interested in a policy of force and domination. The Reagan administration knows that, without U.S. military support and presence, the Salvadoran people would no longer accept their government. The U.S. administration is not interested in finding a solution; it is interested in a policy of intervention and force.

Question: What exactly is your relationship with Nicaragua in quantitative terms?

Answer: We give it moral support and we have never denied that we have military advisers in Nicaragua but I don't want to help the U.S. administration's aggressive plans by revealing figures. For that same reason, I will not discuss arms supplies to Nicaragua. The only thing I have to say is that Nicaragua is an independent country. It has the right to ask for arms and any independent country has the right to supply them if it considers this appropriate.

Question: If I gave you a crystal ball and asked you to look into it, what would you predict for Grenada?

Answer: The people of Grenada know what independence and revolution mean. Those feelings can never be uprooted. The people of Grenada have also been deceived, mainly by the group that assassinated Bishop. This was the first

stage of confusion. However, the facts will be cleared up and Bishop's flag will still wave. Sooner or later, the people of Grenada will hoist Bishop's flag and will become independent. It is not an independent country now; it is an occupied country. Some day it will again be independent and revolutionary. This is an inexorable law of history that cannot be prevented in Grenada or in Central America.

Question: U.S. television showed the people of Grenada expressing their gratitude to the U.S. Marines for having liberated them.

Answer: It is possible that some citizens of Grenada did. When Hitler invaded Poland, some fascist and reactionary Polish citizens welcomed him. After the invasion of the USSR, some people collaborated with the invaders and congratulated them and called them liberators. This was not the sentiment of the majority of the people of Poland or the USSR, however. I feel that the special circumstances in which the invasion of Grenada took place, the trauma that Bishop's death caused, the rejection of Coard's group and the confusion that followed could lead some confused people in Grenada to welcome the Yankee soldiers and congratulate them. It is likely that this has been televised and photographed. I can assure you, though, that this will not last long. The last report I received stated that the people are much angrier about the methods the occupying forces are using and the measures being taken in Grenada. This is the news we receive. It is only a matter of time. Apparently, Mr McIntyre refused to head the government because the conditions were humiliating. He refused to be an instrument of the occupying forces.

Question: Why do you feel your participation is necessary at the international level?

Cuba is a small country with limited resources. Why do you feel it is necessary to send teachers, doctors, technicians and advisers to other developing countries when you can use them in this country?

Why do your people have to sacrifice that way? The day will come when your people will say to Fidel: No more. Please let us stay here.

Answer: That day will not come because there is a feeling of solidarity that grows in our country and an internationalist spirit that continues to grow. It is a great honor for the Cuban people to carry out this internationalism. Do you find this odd? I will explain this phenomenon. If you observe capitalist societies, industrialized societies and even what happens in the Third World, you will see that individualism and selfishness prevail. That happened in Cuba before the revolution. We could never send anyone abroad to help the needy of other developing countries. Now we have thousands who want to go to Yemen, Nicaragua, Vietnam, Angola.

Question: Is the secret Fidel?

Answer: No, Fidel is not the secret nor are economic resources because our economic resources are limited. The secret of that feeling of dedication is the revolution. Maybe our economic resources are limited but our human

resources are unlimited. The U.S. Peace Corps was created and mobilized on a paid basis. Catholic missionaries have dedicated their lives to working in Africa and Asia based on charity, self-denial and vocation. But I can tell you one thing. When 2,000 teachers were needed in Nicaragua and we asked for volunteers, 29,000 Cubans expressed their willingness to go. When they murdered a Cuban teacher in Nicaragua a few months later, 100,000 Cuban teachers expressed their willingness to replace that teacher. That shows we have enough people willing to go teach in Nicaragua. We have more people in Cuba with a spirit of self-denial willing to go to the Third World than all the missionaries from all the churches and the Peace Corps put together. We have an unlimited number of youths willing to go fulfill any task assigned to them because they understand the moral values of the revolution. They will be willing to go anywhere--except perhaps to the moon. This is the greatest resource our revolution can offer.

Question: Will the 4,000 teachers who came back from Nicaragua recently return there?

Answer: They came back to spend the holidays with their families. As soon as the holidays are over, we will send as many teachers as the Nicaraguans need.

Question: The Reagan administration insists that the invasion of Grenada constituted a serious blow to Cuban prestige and its intentions in the hemisphere. What is your answer to that?

Answer: Our theory is that the invasion of Grenada was a blow for the United States. It was a cowardly and ridiculous act that did not represent any glory for the United States but only increased the fighting spirit of Nicaragua, Cuba and the revolutionaries in El Salvador. We now have a firmer position to confront the U.S. aggressor. The spirit of our people has grown. The revolution is stronger than ever. Cuba's prestige around the world increased. This incident demonstrated that we do not interfere in the internal affairs of a country and that Cuba refused to retreat in the face of Yankee military power. It demonstrated our revolutionary spirit and our determination to fight. Now our peoples are more convinced than ever that the Reagan administration is a government that simply does not respect international law.

Question: The U.S. invasion of Grenada helped you strengthen your relations with Spanish-speaking Latin America. However, what effect did this have on your relations with the English-speaking Caribbean?

Answer: Before the invasion of Grenada, we had lost a close and valuable friend with Bishop's death. With it the revolutionary process was virtually killed. The United States, by invading the island, killed a corpse and perpetrated a heinous crime against the sovereignty and desire for freedom and progress of the peoples of the Caribbean and Latin America. Therefore, I called President Reagan's victory a "Pyrrhic" victory. By invading Grenada, he demonstrated to Latin America that he did not respect the commitment to nonintervention that is in all the continental agreements and that he was determined to continue using the "big stick" of old times. This helped divide Latin America and the United States more than before and aggravated the situation created

by the Falkland Islands incident. The United States is not respected more now. On the contrary, the crime of Grenada has increased the fighting spirit and will to resist of Cubans, Nicaraguans, Salvadorans and all revolutionaries, progressives and democrats on our continent.

As to the English-speaking Caribbean, it is unfortunate that the last two incidents that have helped strengthen Latin American unity have also served to separate a group of English-speaking Caribbean countries from Latin America. This occurred with the Falkland Islands and again now in the case of Grenada. Cuba does not suffer much by that separation since the governments that were accomplices in Reagan's invasion of Grenada, especially the Jamaican Government and Mrs Charles in Dominica, have promoted anti-Cuban campaigns for years.

We give special significance to the fact that two members of the Commonwealth, Guyana and Trinidad-Tobago, which are obviously important and could be considered the most important countries of that group took a firm position condemning the U.S. invasion.

Question: Mr President, do you see Namibia ever obtaining independence? Reagan has tied Namibian independence to the withdrawal of all Cuban troops from Angola. Are we facing an indefinite deadlock?

Answer: I always have faith in the peoples. The people of Namibia, under the leadership of the respected SWAPO [South-West African People's Organization], have fought for their independence for some time. Now some significant things have occurred with respect to Namibia. The African countries of the OAU have rejected the "linkage" Reagan tried to establish between Namibian independence and the withdrawal of Cuban troops from Angola. The United Nations has condemned that "linkage" which is virtually dead, defeated as a political concept. France withdrew from the so-called Contact Group and Canada and other countries seem determined to follow. Therefore, the United States will lose maneuvering ability and the problem will remain entirely under UN jurisdiction. Namibia will be free. The colonialist era has ended even though colonial remnants persist like Namibia and Puerto Rico.

We are not facing an indefinite deadlock. No one will be able to prevent Namibian independence just as no one can prevent freedom, equality and justice in the long run for the immense majority of the South African people, brutally oppressed by a racist and fascist regime.

Question: Mr President, do you believe the Contadora process will produce results before another serious escalation in the regional conflict? Has the threat of a U.S. invasion of Nicaragua receded in the months after Grenada?

Answer: I have just glanced at President Reagan's interview in the 26 December issue of U.S. NEWS AND WORLD REPORT. Mr Reagan said that he is supporting the efforts of the Contadora Group. However, the Contadora Group talks about "negotiations," "agreements" and "political solutions" while Mr Reagan tries to dictate his own conditions to Nicaragua and impose a decision to his liking on El Salvador. Reagan improved his electoral "rating" at what is called "a low cost"--nothing more and nothing less than 20 Americans killed in Grenada.

Some analysts predict that he will be content with that electoral strengthening and will not try new ventures. It would be naive, though, to confine oneself to a "rational" assessment of the future in view of the irrationality that drives Reagan to fight a "holy war" in Central America.

Reagan imposes conditions and does not give guarantees. He helps, prepares and incites Honduras in its threatening attitude against Nicaragua and continues supplying the Somozist counterrevolutionaries and the ARDE [Democratic Revolutionary Alliance] groups in the south all the aid they need for their actions on both borders. At the same time, he continues preparing joint operations with Honduras and other Central American countries around Nicaragua. All that implies a danger that it would be naive to ignore.

Question: Do you foresee greater U.S. intervention in El Salvador as the government of that country crumbles?

Answer: As to El Salvador, it is obvious that Reagan tries to support the army and absolve it of the thousands of deaths it has caused among the Salvadoran people. Reagan does not seem to realize that he has very little time left to facilitate negotiations with the guerrilla forces. The inexorable victory of the revolutionary soldiers becomes more obvious each day and the collapse of the military can occur in such a way to make any negotiation unnecessary and unfeasible. It would be necessary, then, to see if Reagan and his collaborators would be sensible enough to accept a defeat that can have negative results in the U.S. electoral process or whether, on the contrary, they would embark on a much more dangerous venture that would lead them to assume responsibility for the deaths of thousands of U.S. youths sent to prop up a corrupt and murderous regime without any hope of long-term victory.

Question: How do you assess the danger for Cuba?

Answer: We cannot let up in our perpetual vigilance facing the dangers we must confront since Reagan is used to threatening us with blockades and military aggression. It would be irrational aggression against all law but Reagan has demonstrated that right and law mean little to him. We cannot forget his abominable statement that the vote by 122 countries in the UN General Assembly condemning the United States for the invasion of Grenada did not disturb his breakfast at all. Therefore, Latin American opinion or the support that the Contadora negotiations receive in Western Europe, in the Scandinavian countries and in Japan cannot suffice for us. We must prepare ourselves and we are preparing ourselves. We prefer negotiation to confrontation but we also repeat that no threat of confrontation will make us retreat. Anyone who tries to humiliate us and subjugate us will have to think twice before deciding to pay the high price it would entail. The U.S. people must know this. We do not harbor any feeling of hostility toward the U.S. people. We would like to have an understanding with the United States and we think we could have an understanding based on equality and mutual respect. However, anyone who tries to invade us will not only come up against the modern, powerful and well organized Revolutionary Armed Forces but will also meet the resistance of millions of organized, trained and armed citizens who would fight even if the country were occupied. The resistance would never end. The United States

would need millions of soldiers that it does not have merely to occupy Cuba and, in the end, the invading troops would have to withdraw in defeat. Conventional war is one thing and war against an entire people is another. No power, no matter how strong, can ever conquer 10 million inhabitants with deep combat and patriotic traditions ready to fight to the death for their way of life, their fatherland, their independence and their social conquests. It would also flagrantly violate the 1962 agreements. We basically have our own defense forces and consider ourselves an absolutely independent country. However, no one can predict the consequences that an invasion of Cuba would have for world peace.

Question: The Reagan administration insists you are a Soviet puppet and henchman. How do you answer that accusation? What exactly is your relationship with the USSR?

Answer: Anyone who has observed the history of our revolution and understands its origin will see that our revolution is a truly autonomous revolution. We did it ourselves. We did not even have relations with the USSR when our revolution triumphed. Therefore, the interpretation of our revolution's doctrine was our own interpretation; the style and the road we followed were truly ours. It was fortunate for us, though, that the USSR existed. What would have happened if the USSR had not existed? What would have happened to Cuba when the sugar quota was suspended? The country would have died of starvation. What would have happened when the oil supply was suspended, when the spare parts for all the U.S.-made equipment could not be acquired, when the United States imposed the blockade? We would not have been able to survive if we had not found a market for our sugar, if we had not had access to fuel and oil for our country, if we had not had access to the armaments we needed for defense against the threats of an invasion--like Playa Giron--assassination attempts and acts of sabotage. It was a privilege for us to find a friendly country to help us confront all those difficulties. Never, in 25 years, have the Soviets tried to interfere in our affairs, in our policy or in our conduct. They have been very respectful. Not even when we were critical of some concepts were they tempted to hurt us economically. They were always very respectful. They never publicly criticized us. Relations between the USSR and Cuba have been exemplary. They were based on a policy of independence and mutual respect. Don't forget that while we were fighting against U.S. imperialism under particularly difficult conditions, the USSR maintained relations with the United States and traded with the United States.

Reagan's statements don't bother me since he is an absolute liar. It is a traditional accusation against us. We are not willing to become enemies of the USSR and sacrifice the excellent relations we have with them in order to demonstrate that we are not Soviet puppets. We do not have any puppet complex. We consider ourselves solidly independent, masters of our country, our destiny and our policy. Our conscience and our morals are clear. The Soviets do not own a single property in Cuba. There are mutual relations and influences but they are as independent of us as we are of them. That is reality.

Question: Do you have any reaction to preliminary statements that the Kissinger Commission report will be very conservative? If you could pick up the telephone

and call Mr Kissinger before he makes his report, what would you like to convey to him?

Answer: In the first place, even if I had the opportunity to call Mr Kissinger, I would not pick up the telephone because I don't have anything to say to him. I don't have any confidence in him because he demonstrated his personality during the Vietnam War: he coldbloodedly planned the bombing and murder of thousands of people. I am convinced he is playing Reagan's game and, in the end, Kissinger's report will be an aggressive and reactionary report. It will be a mirror reflection of Reagan's intentions.

Question: Suppose the U.S. administration said to you: "All right, President Fidel, we are going to make a deal. We will lift the blockade, we will establish diplomatic relations, we will renew technical and economic ties with Cuba but, in return, you will have to stop supporting the governments of Nicaragua and Angola and revolutionary movements like SWAPO."

Answer: They would be setting a very high price for our honor and our principles in exchange for material benefits that we are not too interested in. Even if we were interested in those benefits, we would not be willing. We could never pay such a price.

Question: Everyone says this is Fidel's revolution, this is Fidel's Cuba, the people of Cuba are Fidel's people. Mr President, we are all mortals; we all have to go some day. What will happen to Fidel's revolution after Fidel goes?

Answer: There is a strange opinion abroad that this is my revolution and that once I go, it will go with me. Let me tell you that whether Fidel is here or not, the revolution will continue. It is the revolution of the people of Cuba. There is collective leadership here. We are a united people here. We have thousands of cadres with a high level of knowledge and experience working together in the same direction, toward the same objective. This is not Fidel's revolution. It is the revolution of the people. I am not worried about the future.

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CSO: 3248/494

## BRIEFS

OPPOSITION ELECTION TALKS--ROSEAU, Tues., (Cana): The United Democratic Labour Party (UDLP), led by former Finance Minister Michael Douglas, said it was prepared to hold talks with the Parliamentary Opposition Democratic Labour Party (DLP), "As a necessary step in the preparation for general elections." In a statement, the UDLP--which split with Oliver Seraphine's DLP almost two years ago--said a seven-member committee, headed by Douglas, had already been appointed to pursue the matter. The UDLP said its position was spelt out during a special national executive assembly on Sunday, when members concluded "that further efforts be made to seek broad unity of the labour movement as a necessary step in the preparation for the general election." General elections must be held here by the latter half of 1985, but Opposition forces believe that Prime Minister Eugenia Charles's Dominica Freedom Party will call an early poll. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 84 p 5]

CSO: 3298/653



## PRESIDENT DELIVERS ANNUAL MESSAGE TO CONGRESS

Santo Domingo LISTIN DIARIO in Spanish 4 Mar 84 p 1A

[Excerpt] In his annual message to the Congress reporting on the government administration, President Salvador Jorge Blanco spoke in terms of a new relationship between the executive and legislative branches, seeking points of consensus about the projects and proposals designed to achieve the common goals of the two sectors, which are development and overcoming the economic crisis.

President Jorge Blanco set forth a number of aspects which, in his view, merit attention in the search for a new congressional-governmental relationship, and he gave evidence of yielding on some positions, for example the budget, on which there was disagreement. In this connection, the chief executive urged a reduction in budget expenditures, while on the other hand he simultaneously urged approval of the new taxes which will compensate for this reduction sacrifice. He even spoke of dealing personally with legislators.

In an earlier address, the president of the Senate, Jacobo Majluta, also urged the need for new and more cordial relations.

The tone of both speeches pointed in the direction of reconciliation and moderation of old resentments, calling a halt to statements with which various indirect thrusts were made in the past.

However, Jorge Blanco complained that 51 draft laws have been submitted to the chambers, of which 51 were approved, 3 were rejected, 14 were allowed to lapse and 10 are pending approval [sic].

On this occasion, 17 new proposals were submitted, some of which had already been allowed to lapse (about seven).

The chief executive said that the Congress has also, on its own initiative, approved 12 laws, nine of which pertained to territorial demarcation, plus 78 honoring individuals.

Jorge Blanco commented on the draft public income and expenditures budget for this year, and resubmitted it to the Chamber of Deputies, after stating that its promulgation "will serve to aggravate the declining economy of the public sector."

The chief executive presented the president of the Chamber of Deputies, Dr Hugo Tolentino Dipp, with the text of the law, which was transmitted to that legislative chamber on the 23rd of this month.

Jorge Blanco submitted a total of 17 draft laws to the legislative chambers, including one increasing the minimum wage of employees and workers in the public and private sectors to 150 pesos a month, and providing for an increase of 10 percent for the wage levels of up to 250 pesos per month.

The chief of state explained the reasons for this last measure, warning that "the serious world economic crisis has affected the purchasing power of the lower-income sectors in the country."

Based on this fact, Jorge Blanco said that a wage adjustment is needed to allow the most neglected classes to obtain a greater share of the product of the national economy.

Jointly with this legislative document, the chief executive submitted four other draft laws designed to generate the resources needed to implement this first measure in the public sector.

These proposals call for the following: reduction in the tax incentives to 50 percent; establishment of the presumption of benefits for insurance companies at 25 percent; establishment of a tax on capital gains for real estate operations; and establishment of an additional tax on the domestic production of alcoholic beverages.

Jorge Blanco praised the work done during the past year by the farm sector, placing special stress on rice production, rebuilding of the swine herd, the recovery of land by the Dominican Agrarian Institute and the projects of the National Institute of Water Resources (INDRHI).

Similarly, Dr Jorge Blanco praised the reforestation work carried out during the past year.

He announced that the main autonomous state enterprises reduced their deficit substantially during 1983, providing optimal evidence of recovery.

The chief of state stressed that these achievements by the autonomous institutions were the product of the decision by the government to face up to the problem of these institutions "with courage and determination."

"Despite the crisis, it is a fact that we have made progress, with evident achievements, toward the rehabilitation of these bodies, which are the spinal column of the state, and of the Dominican economy as well," he added.

The year 1983 ended with a balance of payments deficit of \$154 million, in comparison with the \$141 million for 1982, the president of the republic reported.

However, the deficit in the current account within this balance showed an improvement, with a reduction from 5.6 percent of the gross domestic product to 5.1 percent.

The chief executive explained that the foreign commercial accounts in arrears, which totaled \$436 million in 1982, showed a decrease to only \$78,200,000, 80 percent of this decline being due basically to the renegotiation of the foreign debt.

He also reported a substantial improvement in net international reserves, while gross reserves also improved by \$31 million, alleviating the liquidity position of the Central Bank.

Dr Jorge Blanco said that the improvement in the foreign exchange balance was achieved in part by transferring goods to the free foreign exchange market.

He said that the lowest export prices in the last 40 years were seen in 1983, as was the case with imports, while there was also a drop in the demand level resulting from the recession in the industrialized countries and their protectionist policies, which limited [text missing].

5157

CSO: 3248/478

## TEXT OF SIMMONDS ADDRESS TO PAM CONVENTION

Basseterre THE DEMOCRAT in English 3 Mar 84 p 3

[Text] I greet you today with joy and pride as citizens of an Independent Nation, a free people delivered from the shackles of Colonialism.

This is our first Convention since attaining our Independence, which some perpetual prophets of doom had prophesied would NOT come--but come it did, NOT like a thief in the night, not dropped on us like a bomb, but in a blaze of glory, ushered in with pride and joy by the youth of our country, and hailed with joy by thousands of elated and reverent citizens. Our unforgettable and historic moment was shared by friends and well-wishers from countries far and wide, and fittingly sprinkled with a blessing from Almighty God.

In five short months since the 19th September, 1983, we have made a stunning impact on the International scene, I know that every loyal Kittitian and Nevisian heart was bursting with pride as I addressed, on your behalf, the United Nations in response to our country's accession to membership. We subsequently became members of the Commonwealth, and contributed to the success of the meeting of Commonwealth Heads of Government at New Delhi in India.

#### Telling Blow Against Communism

We can be proud of the stand we took with our other OECS colleagues to request the assistance of the United States to rescue our brothers and sisters in Grenada and free them, and protect ourselves, from the pervasive and crushing tentacles of Communism. Brothers and sisters, we struck a telling blow against Communism and dictatorship and militarism in our peaceful Caribbean. We championed the cause of democracy and allowed the fresh clean air of freedom to blow over our Caribbean people once again.

#### Made New Friends

During the period from Nationhood to now, we have forged ahead boldly into the world of diplomacy and made new friends in Taiwan, Hong Kong and Korea, and cemented established friendships with our traditional allies, including the United Kingdom, the United States of America, Canada, CARICOM, the

European Economic Community. We have made our people feel the weight and the impact of our Far Eastern diplomacy, as they received their 1984 "Goat Water" bonus from funds obtained from Taiwan. We have been criticised for making friends in the Far East, but we are vindicated now as pioneers, trail-blazers, trend-setters and leaders, because other Caribbean leaders are now following my example in Eastern diplomacy and calling for greater diplomatic initiatives in the countries of the Far East.

We will continue to be innovators, leaders and pioneers in our constant thrust to bring a better quality of life to every man, woman and child in this beloved country of ours.

#### Good Investment Climate Here

We have met with success in this endeavour, but we are not complacent. Our success has been acclaimed in the most recent economic report of the World Bank which notes that "the policies and projects of this Government are in keeping with the strategy of diversifying the economy". The same report has noted that we have created a good investment climate in this country.

The fact is that we have been implementing a planned and co-ordinated programme of development which is aimed, in the final analysis at the development of people. We have implemented our day care centre programme with its emphasis on early childhood education. We have built new schools and renovated and expanded old ones. We have introduced our school feeding programme and have shown an increase in school attendance as a result.

We have provided training in the Civil Service, training in practical skills, like automotive mechanics, electronics, agriculture, electrical technology, refrigeration, and a host of other subjects relevant to our needs as a developing nation.

#### Construction and Tourism Boom

At the other end of the spectrum stands our Development Bank which our Government established to assist in creating a new entrepreneur, a self-sufficient citizen. The Bank has given loans to farmers, fishermen, students, taxi-drivers, contractors and home owners. Our Government has created a construction boom in this country both in the commercial and domestic sectors. The growth of tourist facilities at Frigate Bay, with its massive job creation, attests to this. Today there is such a tremendous boom in tourism that every hotel in the country is full, and everybody is getting a piece of the action.

In the area of domestic construction, these figures illustrate my point dramatically. Whereas in 1981 out of 153 applications to the Building Board, 61 were for new homes and 92 were for renovations or additions, in 1982 out of 183 applications, (a significant increase there), 116 were for new homes and 67 for renovations. The same trend was maintained in 1983 with 183 new persons applying to the Board, and 118 of those applying for permission to build new homes. This is a clear indication that money which is being spent, saved

or invested in this country is filtering down to every level of society, from the prospective landowner or homeowner to the construction labourer.

#### Better Has Come

In 1980 we said that "Better must come". Indeed we can truly say today that "Better has come".

"Better has come" in the area of industrial development because more jobs have been created there. When TSI Ltd. can increase from 83 workers in 1982 to 194 workers in 1983, and St. Kitts Apparel can go from 78 workers in 1982 to 310 at the beginning of 1984, and Key Universal from 95 in 1982 to 143 in 1983, and both Electrofab and Wellington taking additional factory space for expansion, surely the Government must claim credit for creating and maintaining the investment climate which permits such growth.

#### \$30 Million Aid Package

I have just returned from Washington D.C., and the World Bank meeting where I was able to negotiate pledges from donor countries totalling in excess of 30 million dollars. Over the ensuing months as this 30 million dollars is used to implement projects in agriculture, school construction and renovation, industrial development, infrastructure development (i.e. things like roads, water, electricity, telephone, sewage treatment or disposal), provision of recreational facilities and training programmes for young people, then a substantial amount of money will find its way into the pockets of our citizens who will find employment on the various projects.

#### Needs of the Young

The future of the young people lies in the constructive diversification plan being implemented by our Government. We listen and are responsive to the needs of the young. It is for the young that we place such emphasis on education, and provide better facilities for it. It is for the young that we provide so many training programmes here at home. It is for the young that we have provided more scholarships than ever before. It is for the young that we have been providing recreational facilities in towns and villages throughout the country. It is to give the young that long-denied voice in the affairs of their country that we have lowered the voting age to 18 years.

Of course all of you are anxious to know when the voting will take place. As we have started the final year of our first term in office. I can disclose to you now, that the date of the election will be--sometime in the next twelve (12) months.

#### Responsibility to This Nation

Brothers and sisters, as party in Government we have a responsibility to the young, to the old, and to the in-betweens, indeed we have a responsibility to this Nation. All of you, irrespective of your status or positions must realise that the policies of the Government are your policies, and you must be

prepared to lead the way in your towns and villages to explain, promote, and defend these policies. You must mobilise the citizens around you to protect the progress that has been made so that we do not slide backwards, but rather use what we have achieved as the springboard to higher and greater achievement.

Do not be afraid of criticism--surmount it. Your Government was criticised for trying to attract more investment to this country by offering investors, who will create jobs, the protection of our Flag, without the right to vote. Yet the critics in the Labour Party were themselves fully prepared when they were in Government to do the same thing, perhaps without being as selective as we propose to be, and to that end had already prepared their "passports" of identity, which I display for all to see.

#### True Democracy

We cannot be accused of diminishing the rights of our citizens. In fact, we have made it easier for our citizens to exercise the most sacred of civic rights--the right to vote. We have pioneered the system of continuous registration which will start shortly. It is a major achievement that we were able to pass legislation governing elections in such a way that the law would be seconded in Parliament by the Leader of the Opposition and supported by all members of the House. We went on to hold discussions with the Opposition about the Regulations to be used under that law. This had NEVER happened before in the history of this country.

I believe that perhaps our most important achievement is that we have brought true democracy to this country. We have removed the blanket of fear and tension that used to hang over our heads. We have ushered in a new day of freedom and stability.

Truly we can say this is indeed--

A land of beauty  
Our Country where peace abounds  
THY CHILDREN STAND FREE.

Fellow citizens all--this freedom is precious, your Government, your servants have ushered it in. Let us stand together and work together to preserve it.

MAY GOD BLESS YOU ALL.

CSO: 3298/654

## SIMMONDS SPEAKS ON AID, YOUTH AT COLLEGE GRADUATION

Basseterre THE DEMOCRAT in English 10 Mar 84 p 3

[Text] In this modern and changing world, we have to be constantly innovative, we have to find new solutions to the new problems that will constantly confront us. Technical and vocational subjects were traditionally considered to be the domain of students who could not qualify in the strictly academic field. This must change in a developing country like ours. We have to develop a variety of skills that will provide not only employment, but the answers to the challenges that will face us, as a new nation.

We have the task as a new and developing nation to decide our priorities, decide the direction in which we will go, and to implement our decisions that we make to ensure that that course is followed. Implementation is most important.

We have to develop in the technological field. In order to compete in a world of ever-changing technology, we have to move into the area of computers, electrical engineering, modern methods of construction, (some of the very subjects you have been studying here). We need to depend upon our own resources, both natural and human.

All of these courses are geared towards the young people. There has to be a special emphasis on young people. We cannot see them only in terms of recreation, although this is good in its own way. But we have a duty to provide training, and tools for future employment. We are trying to feed the people of our country for a lifetime.

We recognise the importance of training and development of human resources. We are embarking on a course which will give you a tremendous responsibility in steering our Ship of State. It cannot be sterred merely by one person holding the helm. We need the skills of each and every one of you. You must return to the fountain of knowledge from time to time, and replenish your thirst. All of us must assist. We must give them the chance, good conditions of employment and self-employment. We want to develop a spirit of entrepreneurship and initiative, a new breed of businessman and tradesman.

We do not seek and we must not seek from the Great Powers of the world, just a handout. That is not what all we must do. We must also seek the technology they have developed, and the skills they have learnt through centuries of development.



We will develop in time a greater self-reliance, and we will prove to the world that size is no obstacle; small in size we may be, but big in heart, big in talent, big in outlook we certainly are.

I challenge you the graduating students, and all other young people, to contribute to the development of your country. We have an opportunity to create an image of your country that can stand scrutiny, not an image of young people who wish to stay at the side of the road, and alienate themselves from the rest of society, not an image of young people who wish to find solace in drugs and alcohol.

We want to see young people who are able to absorb the training and opportunities offered, who will seize these opportunities and in turn contribute to our development.

If we work in a spirit of harmony, and if we keep our goals ever in front of us, the main goal of providing a better life for every man, woman and child in this country, we will succeed.

CSO: 3298/654

## PROS, CONS OF ARNOS VALE AIRPORT EXPANSION CONSIDERED

Kingstown THE VINCENTIAN in English 16 Mar 84 p 1

[Text] The Americans are arranging for the completion of Grenada's International Airport at Point Saline. St. Lucia already has the Hewannorea International Airport near Vieux Fort, St. Vincent and the Grenadines other neighbour Barbados is well equipped to receive any size plane at Grantley Adams. Arnos Vale Airport on the other hand is quite inadequate as a venue for large aircraft.

Foreign Minister Hudson Tannis recently went to London with the express intention of seeking British aid to correct our deficiency in air communication by extension of the Arnos Vale airport.

The news of Tannis' mission has evoked immediate response from Opposition Parliamentarian R. B. Russell. In a press release he has criticised the action as what he terms, "Government's determination to keep throwing good money after bad..."

Russell claims that it is well known that Arnos Vale is "quite unsuitable to accomodate large planes" and that what we need is "a proper study...to identify a site."

There is no doubt that the wind conditions which sometimes prevail at Arnos Vale present a serious problem to pilots from time to time on take off. The Vincentian sought the opinion of the Manager of LIAT's local operation Mr Roddy Grant. He assured us that in his view it would be quite impossible to make Arnos Vale into an international airport. Further he said that he was prepared to state that, given the country's topography, the building of an international airport anywhere would be outside our economic capabilities in the servicing of a loan adequate to finance the project. He said that if a loan was assisted by a grant financing might be possible.

CSO: 3298/654

TOBAGO LEADER CHIDED; HOUSE REPORT SPARKS DEBATE

Robinson Accountability

Port-of-Spain TRINIDAD GUARDIAN in English 23 Mar 84 pp 12-13

[Text] NOW that Carnival is finally behind us, the silly season of political gallerying may be about to take centre stage.

The evidence shows that it has taken considerable effort to get Hugh Francis off the front pages with his two feet still firmly planted in his eager mouth.

No sooner had the Francis entry for mindless discord been ejected from the headlines, than the Tobago House of Assembly decided to spring a surprise contestant for the "Clown of the Year" title.

The DAC members of the Tobago House of Assembly must have decided to make a mockery of the whole affair. Their representative more closely resembled a political lampoon than the traditional buffoon.

The spectacle of the once respected ANR Robinson, himself a former Minister of Finance, now attempting to joust with the Barsotti windmill of fiscal accountability and responsibility seemed more tragic than absurd.

Surely Mr. Robinson's advisors must be attempting to project a "high camp" image of pure political tragedy. Move over Minshall.

The tragic trilogy that ANR's advisors have tried to foist upon the people of Trinidad and Tobago has been wrapped in the white but indecently transparent mantle of developmental planning.

The DAC scenario apparently calls for the elimination of budgetary accountability effected through the controls and safeguards developed by the Ministry of Finance.

This responsibility for internal audit belongs with the Ministry of Finance and is independently conducted by a non-political, career technocrat Frank Barsotti whose ability and integrity have never been challenged seriously.

If it is true that Mr. Barsotti's department lacks depth in developmental expertise, then it could be said that such expertise is totally lacking in the politically motivated Tobago House of Assembly.

#### Cultural Centre

It should be noted that the House of Assembly managed to purchase a three-bedroom house on less than one acre of land in Orange Hill outside of Scarborough for one million, three hundred thousand of our tax dollars.

Why is Mr. Robinson so afraid of accountability? This very ordinary family residence has been earmarked for transformation into a "cultural centre" by the DAC--dominated House of Assembly.

As such, it will provide little if any public parking facility. It will comfortably accommodate no more than 300 people on a rainy day.

The purchase price did not include anticipated renovations. This million plus expenditure hardly represents value for money. Why, indeed, is Mr. Robinson so afraid of accountability?

The same body of DAC members also initiated plans for developing a quarry and a garbage dump site on some of Tobago's best agricultural land in Mount St. George, within the Studley Park area.

Thus, the DAC Assemblymen used funds allocated and approved by Cabinet for developing a quarry in another location to commence the unauthorised projects in Mount St. George.

Why does Mr. Robinson continue to show such fear of the requirement for central accountability? Perhaps his fear is not so irrational as it might appear at first glance.

Mr. Robinson's past service with the Central Government makes him uniquely sensitive to the power and authority of their institution, its policies and its procedures.

Mr. Robinson, ex-Minister of Finance, knows only too well that all monies received by State agencies are provided by the Central Government of Trinidad and Tobago through the Ministry of Finance.

Mr. Robinson also knows all state agencies in the unitary Republic are accountable to the Ministry of Finance for all budgetary expenditures.

Further, Mr. Robinson knows monies earmarked in the estimates for a particular project cannot be arbitrarily switched to other projects that were not initially designated for expenditure.

If Mr. Robinson can no longer function within the police framework of his former Ministry, then he should not accept any financial inputs from the Central Government.

Further, Mr. Robinson owes it to the people of Tobago to be forthright about the whole issue of governmental and developmental authority. The people of Tobago must be told the truth by Mr. Robinson.

The Chairman of the House of Assembly should let his constituents in on the most well-guarded secret in Tobago, that is, that ANR Robinson has neither the resources nor the authority to ensure the effective running and administration of Tobago's affairs and services.

All of the services in Tobago are provided and paid for by the Central Government of Trinidad and Tobago. Mr. Robinson ought to insist that every Tobagonian knows that the Central Government of Trinidad and Tobago pays for the salary and benefits to every nurse, teacher, doctor, fireman, policeman, project worker, clerk, bus driver, assemblyman and even the Chairman himself.

The truth is, that the Chairman of the Tobago House of Assembly has no political nor developmental authority outside of the House of Assembly mandate. That political entity is itself a creation of the Government of the unitary state of Trinidad and Tobago.

"Emperor" Napoleon Robinson lacks even the vestigial adornments and power. He stands naked, weak and vulnerable. The charade of pretentious counterpart power and authority must cease and desist at once.

Mr. Barsotti has both the right and the responsibility to stop this masquerade of politically motivated developmental horrors in Tobago. He is to be applauded for doing his job fearlessly and well. For his part, Mr. Robinson retains his right to continue his ill-advised slide into political ignominy.

At all costs, the people of Tobago must be released from the politically-contrived "bondage of the House." Tobagonians must be free to benefit from all of the rights and privileges to which they are entitled.

They have to be given the opportunity to accept the responsibility for developing self reliance, without the encumbrances of a political leadership distorted by visions of power and authority.

Our hope must be that the people of Tobago will emerge from this Lenten period of mortification with the spiritual strength to rid themselves of their present Good Friday "bobolee" leadership (Robinson).

In this manner it would be possible to hasten political resurrection and national reconciliation.

This would be a large first step in providing the climate of trust, so necessary for local developmental activities within the existing constitutional framework of our nation.

## Panday Criticism of PNM

Port-of-Spain TRINIDAD GUARDIAN in English 24 Mar 84 p 1

[Text] OPPOSITION Leader Basdeo Panday said in the House of Representatives yesterday afternoon, that the Government, in refusing to acknowledge the second annual report of the Tobago House of Assembly, was rejecting a report that was supported by PNM members of the Assembly.

Mr. Panday noted there was no minority report from PNM representatives of the Assembly, and the report therefore had unanimous support.

"Are you telling the PNM members of the Assembly that you do not take note of their report?" Mr. Panday asked.

He was speaking on the private motion by the representative for Tobago West, Mr. James Ogiste, that the House take note of the second report of the Assembly. This motion has been under debate for some time during private members day, once per month in the Parliamentary schedule.

The Opposition Leader told the House he was amazed that the Government was not going to accept the motion since all it required was that the House "take note" of the report.

"They seem to be totally paralysed. They seem to be even incapable of taking note of a report," said Mr. Panday.

He said the PNM representatives in Parliament appeared incapable of parliamentary debates as the motion before the House was being debated only on one side.

Mr. Panday then remarked that the Minister of Education and Culture should have related to his Government colleagues how to conduct a debate, having attended a secondary school debate on the relevance of the Westminster system to Trinidad and Tobago.

### Address Speaker

Education Minister Overand Padmore replied that he had conveyed the contents of that debate to his party colleagues, which raised another comment from Mr. Panday on the Government's supposed misunderstanding of the rules of debate.

Deputy Speaker Cyril Rogers, pointed out to Mr. Panday that much of the talk across the floor could be avoided if the representative spoke directly to the chair.

But Mr. Panday argued that the rules stated that members must address the Speaker, not look directly at him.

Anyway, the Opposition leader said he preferred to look at the Government members opposite him. "I want to see the whites in their eyes and the shamelessness in their faces," he said.

Mr. Panday noted that even as the Lower House debated the motion, the Minister in the Ministry of Finance and Planning responsible for the administration of Tobago, Senator Anthony Jacelon, was not at yesterday's sitting.

Mr. Errol Mahabir, Minister of Labour, Social Security and Cooperatives, intervened to explain that the Minister left the country yesterday morning to attend a conference.

The Opposition Leader questioned whether a replacement could not have been found for Senator Jacelon, but answered himself saying perhaps it was best Senator Jacelon was sent as the Prime Minister probably could not find any other suitable representative among the "dunderheads" in his government.

Mr. Panday said that one of the reasons there was such a lack of cooperation between the Central Government and the Assembly, was because of the "power-hungry megalomaniacs" in the PNM Government.

"All the PNM is concerned about is power. They are preoccupied with this paranoia--how do I keep this office," Mr. Panday said.

According to Mr. Panday, it was more than important for Government ministers to keep their positions as some of them would not be able to get jobs as domestic servants if they lost their posts.

CSO: 3298/657

## PNM ERRS ON MARTINEAU; CHAMBERS ADDRESSES MEETING

## Voided Vice-Chairman Vote

Port-of-Spain SUNDAY GUARDIAN in English 25 Mar 84 p 1

[Text] THE General Council of the People's National Movement (PNM), is moving to correct an error it committed a fortnight ago--the approval of Attorney General, Senator Russel Martineau as the party's first vice-chairman.

Now, members of the council have been circularised for next month's meeting, carded for April 15, and under "General Business" on the agenda is "election of an acting vice-chairman as a consequence of the resignation of Mr. Basil Pitt."

When the General Council met on March 11, the party's political leader, Prime Minister George Chambers, ran afoul of the party's constitution in nominating Mr. Martineau to fill the post in the light of Mr. Pitt's appointment as High Commissioner to Canada, with residence in Ottawa. Without any dissension the nomination was approved by the General Council.

But it is understood that Mr. Pitt then had not yet resigned. As a result, the General Council had no resignation before it. And contrary to the constitution, the matter was not on the agenda of the meeting.

There are no provisions in the PNM's constitution that empower the political leader to propose anyone to fill any vacancy on the council.

## Selection

Under the constitution, the General Council has the power to fill any vacancy. But to do so a circular announcing the vacancy must be out at least seven days prior to the council meeting, and the vacancy must be listed on the agenda.

With the agenda for next month's meeting being out and the vacancy listed, Mr. Martineau's selection as vice-chairman is virtually deemed a "no-no."

The circular now out also indicated that Mr. Pitt's resignation is in, so there is in fact a vacancy.



Some party members yesterday pondered whether Works Minister, Hugh Francis, who has already made two bids for the post, will make a third try. But Mr. Francis is unlikely to do so since this could further embarrass the political leader.

Mr. Francis, if his name does crop up, will quite likely decline, thus permitting the proposal of Mr. Martineau to be formally and properly rectified.

Mr. Francis could then continue to bide his time until September and the next annual convention.

According to the constitution, the chairman, vice-chairman, political leader and general secretary, elected at the annual convention, hold office for five years, unless they resign, as in Mr. Pitt's case, or is removed by the annual convention.

Other officers, elected at the convention, hold office for one year.

#### Chambers' Praise for Party

Port-of-Spain TRINIDAD GUARDIAN in English 26 Mar 84 p 1

[Article by John Alleyne]

[Text] SAN FERNANDO: PRIME MINISTER George Chambers, in his role as Political Leader of the People's National Movement (PNM), said at Mayaro yesterday that if one were to judge from newspaper reports, not only members of the PNM General Council but even Members of the House of Representatives, attended meetings with cutlasses, shotguns, revolvers and sub-machine guns "to slice up and shoot down each other."

He told a large gathering of PNM members--young and old--"If you accept what you read in the newspapers without first verifying the facts, unlike me, you will have a serious problem."

The Prime Minister was speaking at a party ceremony organised to pay tribute to "two stalwarts" of the Ortoire/Mayaro PNM Constituency for their loyal and dedicated service to the party and community.

Not only members of the constituency attended, but their party colleagues from other PNM constituencies throughout the country were present to pay tribute to Mr. Joseph Uriah Mills, aged 77, and Mrs. Nora Felix.

Regrettably, Mr. Mills fell ill shortly after Mr. Chambers began his address and was rushed to the Mayaro hospital where he was reported "resting comfortably."

His gifts from the constituency were received on his behalf by his sister, Miss Theresa Mills.

During the proceedings yesterday, Mr. Francis Prevatt, party chairman, arrived and was escorted by his relative and parliamentary representative for the area, Mr. Leon Prevatt on stage, where the party chairman joined Mr. Chambers. After the tribute and presentations both Mr. Prevatt and Mr. Chambers chatted with each other for some time.

Mr. Chambers also spent some time chatting with former Works Minister and ex-parliamentary representative for the area, Mr. Victor Campbell.

In his address to party members, the Prime Minister and Political Leader said, "Contrary to what we have been told in newspapers we have not deviated from the principles laid down in the Charter, or from the policies implanted by the founder of the party.

#### Never Deviated

"And if Mr. Prevatt and I believe what we read in the newspapers both he and I have reached the stage where a newspaper reporter joins me and Mr. Prevatt in discussion on the constitution of the party. Do you believe that?" he said.

He told his audience that as a party "we have done remarkably well indeed. Always remember that in the 28 years you will celebrate as a party, you have not deviated from the principles enshrined in the Charter or in its constitution.

"You have not seen it fit--for example--as a party, to give the impression that you cannot satisfy the popular aspirations of your own party. If, at all, you have not asked for assistance, friendship, accommodation or otherwise. But you have remained firm and dedicated to the principles of the Charter and the Constitution.

"As a party you have continued to demonstrate a sense of discipline to the community that could not be surpassed. And perhaps, most importantly, what you have done in the last three years is contrary to what we have been told in some newspapers," he added.

Mr. Chambers said that in 1956 the topic was Independence; in 1984 it is self-reliance.

So it is particularly gratifying to see the constituency of Ortoire/Mayaro perhaps taking the lead in paying not only tribute to its membership, but for all practical purposes giving manifestation to my last convention speech, calling upon the party to recognise genuine service," he declared.

Mr. Chambers believed there were four significant reasons for yesterday's function. Firstly, to show that the PNM was the only party in the country which was in a position to serve 26 years. Perhaps, even more significant, the ceremony in Ortoire/Mayaro was in a rural community, thus, indicating that the PNM was not only an urban party, "but truly a national party."

Another significant reason was that following on the last annual convention held on February 10 last, members had taken up his suggestion to once more identify themselves with their respective constituencies and activities in their areas.

Also, yesterday's tribute, Mr. Chambers reminded, had taken place a short four days before the third anniversary of the death of the party's first Political Leader.

As a result, Mr. Chambers called upon the gathering to stand and observe a minute's silence as a mark of respect. In doing so, he advised party cohorts that they should take time to reflect "where we are going." And above all "to note our experience for the past three years. And I would like to believe myself," he added, "that we have done extremely well."

Mr. Chambers said that as a tribute to the late Political Leader, Dr. Eric Williams, not only did the party win the last General Election which came shortly after his death, but the party won more seats than at any time in its previous history.

Mr. Chambers said it was with great pleasure that he had joined the constituency to honour Mr. Mills and Mrs. Felix. In fact he had postponed his visit to San Fernando to next weekend in order to be at the ceremony.

Profiles on Mrs. Felix and Mr. Mills were delivered by Mr. Leon Prevatt, while there were tributes from Miss Euphemia Inniss, retired school principal; Mrs. Sybil Best and Mrs. Beryl Stewart on behalf of the Ortoire/Mayaro Constituency Women's League, and Minister in the Ministry of Housing, Mrs. Elmina Clarke-Allen, on behalf of the national PNM Women's League.

Mr. Mills joined the PNM in 1956, and Mrs. Felix who succeeded him as secretary of the constituency group, joined in 1966.

Several members of the Government--all party members--attended the ceremony.

CSO: 3298/657

## BRIEFS

CUSTOMS RESPONSIBILITIES--BEGINNING Monday, April 2, the newly established Certifying Authority for the Caricom rules of origin, will certify all documents for duty free entry of local products exported to the markets of Caricom member states. As a result, the Customs and Excise Division will stop certifying such documents. However, all matters pertaining to imports from Caricom countries will continue to be administered at the Customs and Excise Division. Offices of the Certifying Authority are located at the Export Promotion Division of the Industrial Development Corporation (IDC), Room 209, Salvatori Building, Frederick Street, Port-of-Spain. Chairman of the Authority is Mr. Neville Blake, acting Export Promotion Officer, IDC. Other members are: Mr. Roger Vieira of the Manufacturers' Association; Mr. Arnold Harnanan, Bureau of Standards; Mr. Oliver Roberts, Customs and Excise Division; Mrs. Marjorie Harrinath, and Mrs. Gloria Ellis, from the Consumer Affairs Division in the Ministry of Industry and Commerce. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 26 Mar 84 p 1]

CSO: 3298/657

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